

California Energy Commission



California Energy Commission

Orange Grove Energy, L.P.
Power Plant Project
Application for a
Small Power Plant Exemption
07-SPPE-2

Informational Hearing
September 24, 2007

Felicia Miller
Energy Facility Siting Project Manager

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California Energy Commission



Energy Commission Authority

Energy Commission permitting authority for:

- Thermal power plants 50 megawatts or greater
- Related facilities:
 - *transmission lines*
 - *water supply systems*
 - *natural gas pipelines*
 - *waste disposal facilities*
 - *access roads*

**Lead state agency under the California
Environmental Quality Act (CEQA)**

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Small Power Plant Exemption

The Energy Commission may exempt thermal power plants from the certification process, if it finds:

- the project is 100 megawatts or less
- the project has no substantial adverse impacts on the environment
- the project has no substantial impacts on energy resources

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Overview of SPPE Process

- The SPPE process is an exemption from the Commission's jurisdiction, not a permit or license to build the project.
- The SPPE process consists of various phases which include: staff workshops, site visits and Committee hearings and conferences, all of which are noticed and open to the public.
- The Energy Commission staff will prepare an Initial Study and expects to prepare a Mitigated Negative Declaration.
- Following hearings, the Commission will prepare a proposed decision.
- Final Decision is by the full Energy Commission.
- If the exemption is approved, the applicant will apply for the appropriate permits from local, state and federal agencies.
- Local and state agencies will use the Energy Commission's CEQA document when issuing respective permits.

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Discovery and Analysis

A period of data gathering by the staff, agencies, and intervenors. All parties analyze the project information.

- Issues Identification Report
- Data Requests
- Identify mitigation measures and recommend conditions of exemption
- Facilitate public and agency participation through workshops
- Draft Environmental Document
 - Based on an Environmental Checklist Form (CEQA Guidelines, Appendix G)
 - 30/45 day comment period for the public and interested agencies
 - Workshops to discuss the document and resolve issues
- Final Environmental Document
 - Make recommendations to the Committee



Evidentiary Hearing & Decision Process

A Pre-hearing Conference followed by evidentiary hearings are conducted by the assigned Committee to hear the findings and conclusions of the applicant, staff, intervenors, other agencies, and comments of the public.

Committee conducts hearing(s) on all information

- Issues the Presiding Member's Proposed Decision (PMPD) and final environmental document. The PMPD contains findings related to:
 - Environmental impacts and mitigation
 - Recommends conditions of exemption, if any
 - Recommends whether or not to approve the exemption
- PMPD hearing and Commission decision

Local, State and Federal Coordination

Staff works closely with local, state and federal agencies, for example:

- **Local:** San Diego County Department of Planning and Land Use
- **Regional:** San Diego Air Pollution Control District
- **State:** California Air Resources Board
- **Federal:** U.S. Environmental Protection Agency, U.S. Fish and Wildlife Service

Public Participation Opportunities

- Submit written comments or statements to the Commission on the staff's draft and final environmental assessment and on the Presiding Member's Proposed Decision
- Provide oral comments at public meetings
- Participate in workshops and hearings
- Become a formal intervenor (contact the Public Advisor's Office – Mike Monasmith)

Public Participation Information

Open Public Process

- Workshops and Hearings are noticed at least 10 days in advance
- Mailing lists include local libraries, interested agencies
- List Server: www.energy.ca.gov/listservers

Documents are available for public review at:

- Public Libraries in Fallbrook, San Diego, San Marcos, Temecula, Valley Center and Vista
- Energy Commission Library in Sacramento
- Energy Commission Web site:
www.energy.ca.gov/sitingcases/orangegrove
- Dockets Unit at the Energy Commission
1516 9th Street, MS - 4
Sacramento, CA 95814-5512

Staff's Issues Identification Report

- **Purpose**
 - Inform participants of potential issues
 - Early focus on important topics
- **Criteria**
 - Significant impacts that may be difficult to mitigate
 - Conflicts between parties about appropriate findings or conditions of exemption for Commission decision that could delay schedule
- Staff has identified three potential issues; Air Quality, Cultural Resources and Water Quality, but other issues may still arise during the case. Staff has issued data requests in 9 technical areas in order to get needed information to complete their analyses.



Potential Issue – Air Quality

- The applicant has not proposed any emission reduction credit mitigation, as the San Diego Air Pollution Control District permitting requirements for this project do not require emission offsets.
- The San Diego Air Basin at the project site is classified as nonattainment for the state ozone. Without proper offset mitigation, this project would contribute to existing violations of State and federal ambient air quality standards.
- It is staff's position that all nonattainment pollutants and their precursors need to be mitigated through offsets at a minimum ratio of 1:1.
- Without appropriate mitigation measures, staff cannot find that this project would have less than significant air quality impacts.



Potential Issue – Cultural Resources

- The applicant provided information indicating there are significant cultural resources located in the area near the project site. This information did not identify the exact location of the project in relation to the archeological sites.
- Therefore, staff could not determine whether or not cultural resources were located close enough to be impacted by the project.
- Staff has requested a map of the project site, detailing the location of the archeological sites in relation to the project area, to enable staff to determine whether this project would have less than significant cultural impacts. This information will be filed confidentially for protection of potentially sensitive resources.

Potential Issue – Water Quality

- The project proposes to use approximately 44 acre-feet/yr of potable water for evaporative cooling of the air inlet chiller system.
- The project is not using zero-liquid discharge technology, but instead wastewater will be collected and trucked off site for treatment and disposal to a licensed wastewater treatment facility.
- Staff has requested economic and environmental assessments in both water supply and cooling technology options for gas turbine inlet cooling and also for zero-liquid discharge technology options for management of project wastewaters.

Proposed Schedule

Orange Grove Power Plant Project (07-SPPE-2)

EVENT	DATE
Applicant files Application for SPPE	7/19/07
Staff provides data requests to applicant	9/5/07
Information Hearing & Site Visit	9/24/07
Applicant provides data responses	10/5/07
Data Response & Issue Resolution Workshop	10/15/07
Draft Environmental Assessment filed	10/24/07
Draft Environmental Assessment workshop	11/7/07
Agency, applicant, public comments on the Application and Draft Environmental Assessment	11/26/07
Final Environmental Assessment filed	12/17/07
Prehearing conference	1/3/08 *
Evidentiary hearings	1/14/08 *
Committee files Proposed Environmental Assessment	2/4/08 *
Comments on the Environmental Assment & Proposed Decision	2/14/08 *
Commission Decision	2/19/08 *

Note: All dates are approximate and will be determined by staff and committee. Actual dates will be announced by staff notices or Committee order.

* Date to be determined



Energy Commission Contacts

Committee Assigned

Jeffrey Byron, Commissioner, Presiding Member
Arthur Rosenfeld, Commissioner, Associate Member

California Energy Commission Staff

- Kenneth Celli, Commission's Hearing Officer
(916) 651-8893, e-mail: kcelli@energy.state.ca.us
- Felicia Miller, Project Manager
(916) 654-4640, e-mail: fmiller@energy.state.ca.us
- Jared Babula, Staff Attorney
(916) 651-1462, e-mail: jbabula@energy.state.ca.us
- Public Adviser's Office
(916) 654-4489 or (800) 822-6228
e-mail: PAO@energy.state.ca.us

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

**ORANGE GROVE POWER
PLANT REPLACEMENT PROJECT
SMALL POWER PLANT EXEMPTION**

Docket No. 07-SPPE -2

PROOF OF SERVICE

INSTRUCTIONS: All parties shall either (1) send an original signed document plus 12 copies or (2) mail one original signed copy AND e-mail the document to the address for the Docket as shown below, AND (3) all parties shall also send a printed or electronic copy of the document, which includes a proof of service declaration to each of the individuals on the proof of service list shown below:

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

APPLICANT

Stephen Thome
J-Power USA Development
1900 East Golf Road, Suite 1030
Schaumburg, IL 60173
sthome@jpowerusa.com

Charles, Diep, PE, CPP
TRC
21 Technology Drive
Irvine, CA 92619
cdiep@trcsolutions.com
cdiep@Roadrunner.com

COUNSEL FOR APPLICANT

Mike Dubois
J-Power USA Development
1900 East Golf Road, Suite 1030
Schaumburg, IL 60173
mdubois@jpowerusa.com

Jane Luckhardt
Downey Brand, LLP
555 Capitol Mall, 10th Floor
Sacramento, CA 95814
jluckhardt@downeybrand.com

APPLICANT CONSULTANT

Uday Singh, Vice President
TRC
21 Technology Drive
Irvine, CA 92619
usingh@trcsolutions.com

Wayne Song
Morgan, Lewis & Bockius LLP
300 S Grand Avenue, 22nd Floor
Los Angeles, CA 90071
wsong@morganlewis.com

Joe Stenger, PG. REA
TRC
2666 Rodman Drive
Los Osos CA 93402
jstenger@trcsolutions.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

Steve Taylor
San Diego Gas & Electric
8306 Century Park Court
San Diego, CA 92123
srtaylor@semprautilities.com

INTERVENORS

Gloria D. Smith
Marc D. Joseph
Adams Broadwell Joseph & Cardozo
601 Gateway Boulevard, Suite 1000
South San Francisco, CA 94080
gsmith@adamsbroadwell.com

ENERGY COMMISSION

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

ARTHUR ROSENFELD
Associate Member
pflint@energy.state.ca.us

Kenneth Celli
Hearing Officer
kcelli@energy.state.ca.us

Felicia Miller
Project Manager
fmiller@energy.state.ca.us

Jared Babula
Staff Counsel
jbabula@energy.state.ca.us

Public Adviser's Office
pao@energy.state.ca.us

DECLARATION OF SERVICE

I, Dora Gomez, declare that on September 27, 2007, I deposited copies of the attached Informational Hearing held on September 24, 2007 for Orange Grove Energy, L.P. (07-SPPE-2) 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.



Dora Gomez