



PORT OF OAKLAND

September 14, 2007

Mr. Bill Pfanner, Project Manager
California Energy Commission
1516 Ninth Street
Sacramento, CA 95814

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DOCKET	
06-AFC-6	
DATE	SEP 14 2007
RECD.	SEP 17 2007

Dear Mr. Pfanner:

**SUBJECT: COMMENT LETTER – PRELIMINARY STAFF ASSESSMENT (PSA)
EASTSHORE ENERGY CENTER, APPLICATION FOR CERTIFICATION (06-
AFC-6), CITY OF HAYWARD**

Thank you for the opportunity to provide comments on the subject Preliminary Site Assessment (PSA). The proposed Eastshore project is covered by the California Environmental Quality Act (CEQA) Guidelines, Article 17, Exemption for Certified State Regulatory Programs, Sections 15250, 15251, and 15252. Public Resources Code (PRC), Section 21080.5 states, additionally, that regulatory programs implemented by state agencies shall be certified by the Secretary for Resources as being exempt from requirements for preparing Environmental Impact Reports, Negative Declarations, and Initial Studies, if the Secretary finds that the program meets the criteria contained in the PRC. The State Energy Resources Conservation and Development Commission's power plant site certification program meets the requirements of PRC, Sec. 21080.5.

The PSA is the California Energy Commission's staff independent evaluation of the proposed Eastshore Energy Center (Eastshore). Commission staff concludes that Eastshore will result in significant adverse indirect environmental impacts to Land Use and Traffic/Transportation. Eastshore would result in these significant impacts even if the Commission adopts all of the proposed mitigation measures and conditions for certification and the project proponent (Calpine) implements those measures. Port staff is concerned that Eastshore may result in impacts on OAK operations; and that it will contribute to the cumulative impacts on future air traffic conditions, i.e. traffic patterns in the surrounding airspace.

Background

The Port of Oakland (Port) is a public agency that comprises a Maritime port (marine terminals), commercial real estate areas located along the eastern shore of San Francisco Bay, the Oakland International Airport (OAK). The site for Eastshore is located approximately 12 miles southeast of OAK. Eastshore would be designed to respond to unexpected changes in regional demands from higher than expected summer temperatures, other facilities tripping off-line or sudden changes in renewable power generation. We understand that the purpose of constructing Eastshore is to provide a reliable energy source for the greater Bay Area and

support to the regional transmission system when there is no other generation available during peak demand hours.

The proposed Eastshore Energy Center is a facility that would cover 1.59 acres of a 6.22-acre industrial site in Hayward. Eastshore would be permitted to operate 4,000 hours annually. It would comprise: natural gas-fired, spark-ignited reciprocating engine-generator sets, modern air pollution control systems (i.e., controls for nitrogen oxides, carbon monoxide, and precursor organic compounds), 14 emissions stacks (70-foot tall), a main building/structure, security fencing, cooling system, ammonia storage tanks, raw water storage tank, emergency generator, water service connections, transformers, electrical transmission line, natural gas line, and construction lay-down and parking area.

Impact Analysis

Eastshore would generate thermal plumes at or above 500 feet above ground level. It should be noted that the recently-approved Russell City Center cooling tower will generate thermal plumes at 600 feet to 800 feet above ground level thus presenting a hazard to single engine aircraft flying below 1,000 feet. The combined effect of locating/siting two energy centers (nearby Russell City Energy Center and Eastshore) within the Hayward airspace increases the potential for serious impairment to the utility of the airport. The centers could interfere with or "unduly restrict" existing or future use of Hayward Executive Airport. Having two energy centers within the Hayward airspace would likely result in significant adverse indirect and cumulative impacts to air traffic patterns and the utility of the Hayward Executive Airport and the surrounding airspace.

Comment 1: Eastshore would result in these significant impacts even if the Commission adopts all of the proposed mitigation measures and conditions for certification and the project proponent (Calpine) implements those measures. CEQA requires decision-making agencies to balance, as applicable, the economic, legal, social, technological, or other benefits of a proposed project against its unavoidable environmental risks. If the Commission approves Eastshore, which results in significant effects that are not avoided, it must state in writing the specific reasons to support approving the proposed project. This written statement, a Statement of Overriding Considerations must be adopted if the Commission approves Eastshore, pursuant to CEQA Guidelines, Section 15093.

Comment 2: The analysis in the PSA needs to discuss what the cumulative effects would be to OAK operations. How would changes to Hayward's air traffic patterns affect traffic at OAK, particularly the threshold for Runway 29?

Comment 3: What are the regional effects if air traffic has to be redirected as a result of not only one energy center (Eastshore) but two within the Hayward airspace? Will shifts in air traffic at Hayward affect OAK?

Comment 4: Commission staff states that it can not recommend certifying Eastshore without comment from the Federal Aviation Administration, California Department of Transportation Division of Aeronautics, and the Alameda County Airport Land Use Commission regarding airport operations and safety issues. Port staff believes that input from these agencies is critical

to a complete impact analysis. The Commission should not make its decision without their participation.

Comment 5: Port staff supports locating the proposed project to an alternate site where it would not result in impacts on air traffic patterns.

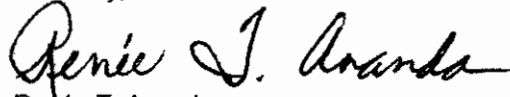
Comment 6: Port staff supports the Energy Commission staff's five conditions of certification (TRANS-1 through TRANS-5) to mitigate potential impacts, to the extent feasible, should the California Energy Commission grant certification.

Comment 7: Port staff recommends that the Energy Commission, along with the FAA and the California Department of Transportation Division of Aeronautics pursue developing policies and or guidelines that specifically address the issue of constructing energy centers in proximity to airports or within airspace. Guidelines or policies that restrict constructing energy centers within a specified radius of an operating airport would reduce the potential to have a conflict between airport use and the hazards that thermal plumes present. The Energy Commission and its staff could review and process certifications for similar projects in a standardized / consistent framework rather than a project-by-project basis.

Comment 8: The analysis of biological impacts that would result from nitrogen emissions needs to be completed. There is no determination on whether or not Eastshore would result in impacts to sensitive species and or habitat.

Please contact me at (510) 627-1351 regarding the Port's comments on the Proposed Eastshore Energy Center Application of Certification.

Sincerely,



Renee T. Ananda
Port Associate Environmental Planner
Port of Oakland
Environmental Planning, Permitting, & Compliance Dept.

cc: Steven Grossman, Director of Aviation, Aviation Administration
Deborah Ale-Flint, Assistant Director of Aviation, South Airport Administration
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