

CALIFORNIA ENERGY COMMISSION

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

11-AFC-1

DATE FEB 22 2012

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February 22, 2012

**REQUEST FOR COMMENTS
ON THE PRELIMINARY STAFF ASSESSMENT
FOR THE PROPOSED PIO PICO ENERGY CENTER (11-AFC-1)**

To: AGENCY DISTRIBUTION LIST

The enclosed Preliminary Staff Assessment (PSA) contains the California Energy Commission staff's preliminary engineering, environmental and public health and safety evaluation of the proposed Pio Pico Energy Center's (PPEC) Application for Certification (11-AFC-1).

The California Energy Commission encourages public participation in the review of the PPEC's Application for Certification (AFC). The public comment period for this PSA is from February 22, 2012 to March 26, 2012. Written comments on the PSA should be provided to Eric Solorio, Siting Project Manager, no later than 5:00 p.m., March 26, 2012 at the address on this letterhead or by email to esolorio@energy.ca.gov. Technical or project schedule questions should also be directed to Mr. Eric Solorio at (916) 651-0966 or by email.

Following a 30-day public comment period on the PSA and staff holding one or more public workshops, the staff will prepare a Final Staff Assessment (FSA) which will serve as staff's formal testimony in evidentiary hearings to be held by the Energy Commission's Committee assigned to hear this case. The Committee will hold evidentiary hearings to consider the recommendations presented by staff, applicant, interveners, government agencies, and the public prior to proposing its decision. In the last step, the full Energy Commission will issue the final decision.

SUMMARY OF THE PROPOSED PIO PICO ENERGY CENTER

On February 10, 2011, Pio Pico Energy Center LLC submitted an Application for Certification (AFC) to the California Energy Commission seeking permission to construct and operate a nominal 300-megawatt (MW) natural gas-fired simple-cycle generating facility, the PPEC. The current AFC replaces the previously proposed project that was withdrawn on December 10, 2010. The new project site is proposed to be located in an unincorporated area of southwestern San Diego County, known as Otay Mesa.

The PPEC project would be located on approximately 10 acres of disturbed land on the southeast quadrant of the Alta Road and Calzada de la Fuente intersection. The construction lay down (equipment and materials) area is proposed to be 6-acres of an adjacent parcel to the south.

PROOF OF SERVICE (REVISED 2/22/12) FILED WITH
ORIGINAL MAILED FROM SACRAMENTO ON 2/22/12

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The generating facility would include three General Electric (GE) LMS100 natural gas-fired combustion turbine generators (CTGs), each equipped with water injection to the combustors for reducing production of oxides of nitrogen (NOx), a selective catalytic reduction (SCR) system with 19 percent aqueous ammonia injection to further reduce NOx emissions, and an oxidation catalyst to reduce carbon monoxide (CO). Thermal energy is produced in the CTGs through the combustion of natural gas, which is converted into mechanical energy to drive the combustion turbine compressors and electric generators. The total net generating capacity would be approximately 300 MW.

ENERGY COMMISSION'S SITE 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 has a certified regulatory program and is the lead agency under the California Environmental Quality Act (CEQA).

SUMMARY OF CALIFORNIA ENERGY COMMISSION STAFF'S PRELIMINARY CONCLUSIONS

Staff concludes that with implementation of staff's recommended mitigation measures described in the conditions of certification, the PPEC would comply with all applicable laws, ordinances, regulations, and standards (LORS). Staff also concludes that for all environmental areas except biological resources, significant adverse direct, indirect, and cumulative impacts will not occur.

At this time staff does not have enough information to determine the feasibility of the applicant's proposed mitigation measures to reduce impacts to biological resources to a less than significant level. Staff anticipates obtaining this information and discussing the details of such during the public workshop previously noticed for March 1, 2012, to be held in Chula Vista: <http://www.energy.ca.gov/sitingcases/piopico/notices/index.html>.

AVAILABILITY OF THE PRELIMINARY STAFF ASSESSMENT

The status of the project, copies of notices and other relevant documents are available on the Energy Commission's web site: <http://www.energy.ca.gov/sitingcases/piopico/index.html>.

Sincerely,

Date: 2/22/12

Chris Davis, Office Manager
Siting Office

Enclosure:
Preliminary Staff Assessment
of Application for Certification (11-AFC-1)

Mailed to lists:
Agency - 7398



**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 *PIO PICO ENERGY CENTER PROJECT***

**Docket No. 11-AFC-1
PROOF OF SERVICE**
(Revised 12/16/2011)

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DECLARATION OF SERVICE

I, Elizabeth Stewart, declare that on, February 22, 2012, I served and filed copies of the attached (11-AFC-1) Pio Pico Energy Center Request for Comments, dated February 22, 2012. The original document, filed with the Docket Unit or the Chief Counsel, as required by the applicable regulation, is accompanied by a copy of the most recent Proof of Service list, located on the web page for this project at: [www.energy.ca.gov/sitingcases/piopico/index.html].

The document has been sent to the other parties in this proceeding (as shown on the Proof of Service list) and to the Commission's Docket Unit or Chief Counsel, as appropriate, in the following manner:

(Check all that Apply)

For service to all other parties:

- Served electronically to all e-mail addresses on the Proof of Service list;
- Served by delivering on this date, either personally, or for mailing with the U.S. Postal Service with first-class postage thereon fully prepaid, to the name and address of the person served, for mailing that same day in the ordinary course of business; that the envelope was sealed and placed for collection and mailing on that date to those addresses **NOT** marked "e-mail service preferred."

AND

For filing with the Docket Unit at the Energy Commission:

- by sending an original paper copy and one electronic copy, mailed with the U.S. Postal Service with first class postage thereon fully prepaid and e-mailed respectively, to the address below (preferred method); **OR**
- by depositing an original and 12 paper copies in the mail with the U.S. Postal Service with first class postage thereon fully prepaid, as follows:

CALIFORNIA ENERGY COMMISSION – DOCKET UNIT
Attn: Docket No. 11-AFC-01
1516 Ninth Street, MS-4
Sacramento, CA 95814-5512
docket@energy.state.ca.us

OR, if filing a Petition for Reconsideration of Decision or Order pursuant to Title 20, § 1720:

- Served by delivering on this date one electronic copy by e-mail, and an original paper copy to the Chief Counsel at the following address, either personally, or for mailing with the U.S. Postal Service with first class postage thereon fully prepaid:

California Energy Commission
Michael J. Levy, Chief Counsel
1516 Ninth Street MS-14
Sacramento, CA 95814
mlevy@energy.state.ca.us

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, that I am employed in the county where this mailing occurred, and that I am over the age of 18 years and not a party to the proceeding.

Originally signed by
Elizabeth Stewart