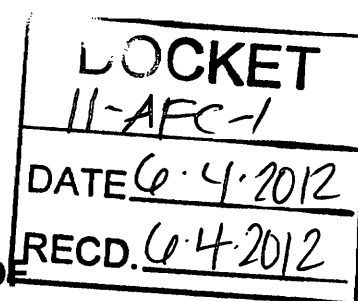


CALIFORNIA ENERGY COMMISSION

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



June 4, 2012



**NOTICE OF AVAILABILITY OF
SUPPLEMENT TO THE FINAL STAFF ASSESSMENT
FOR THE PROPOSED PIO PICO ENERGY CENTER (11-AFC-1)**

To: AGENCY DISTRIBUTION LIST

This notice is to inform you of the availability of a **Supplement** to the Final Staff Assessment (FSA) for the Pio Pico Energy Center's (PPEC) Application for Certification (11-AFC-1). The FSA was previously provided to you on May 22, 2012. We are now providing you with a replacement CD that incorporates the Supplement into the FSA (see pages 4-.7-17 and 4.7-18). The FSA contains the California Energy Commission staff's final engineering, environmental and public health and safety evaluation of the proposed PPEC.

The FSA 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.

The California Energy Commission encourages public participation in the review of the PPEC's Application for Certification (AFC). Technical or project schedule questions should be directed to the Energy Commission's project manager, Mr. Eric Solorio, at (916) 651-0966 or by email at esolorio@energy.ca.gov.

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 The current AFC replaces the previously proposed project that was withdrawn on December 10, 2010.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.

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 FINAL 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, significant adverse direct, indirect, and cumulative impacts will not occur.

AVAILABILITY OF SUPPLEMENT AND THE FINAL 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,



Chris Davis, Office Manager
Siting Office

Date: 6/04/12

Enclosure:
Replacement CD, Final Staff Assessment
of Application for Certification (11-AFC-1)

Mailed to lists:
Agency – 7398

Cc: Docket and Proof of Service List