

CALIFORNIA ENERGY COMMISSION
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September 22, 2008

TO: AGENCY DISTRIBUTION LIST (STATE AND FEDERAL)

REQUEST FOR AGENCY PARTICIPATION IN THE REVIEW OF THE LODI ENERGY CENTER PROJECT, APPLICATION FOR CERTIFICATION (08-AFC-10)

On September 10, 2008, Northern California Power Agency (NCPA) submitted an Application for Certification (AFC) to the California Energy Commission to construct and operate an electrical generating plant in the City of Lodi, San Joaquin County, California. The Lodi Energy Center (LEC) would be a combined-cycle nominal 255-megawatt (MW) power generation facility.

Project Location

The proposed project would be located on 4.4 acres of land owned and incorporated by the City of Lodi, 6 miles west of the Lodi city center, located near Interstate-5 (I-5) approximately 1.7 miles south of State Route 12. On the east side of the site is the City of Lodi's White Slough Water Pollution Control Facility (WPCF). The WPCF's treatment and holding ponds are located to the north; an existing generating plant (49-MW NCPA Combustion Turbine Project #2) is located to the west with a 230-kV Pacific and Gas Electric overhead electrical transmission line aligned further to the west, and the San Joaquin County Mosquito and Vector Control facility is to the south. The proposed project would also be located near the city of Stockton which is approximately 2 miles south. The project site is currently undeveloped and used for equipment storage during upgrades to the WPCF.

Project Description

Highlights of the Project are as follows:

- The proposed project is a 255 MW nominal, natural gas-fired, combined-cycle generating plant with a "Rapid Response" General Electric Frame 7FA combustion turbine-generator (CTG), a single condensing steam turbine generator (STG), a deaerating surface condenser; a 7-cell mechanical draft cooling tower; and associated support equipment.
- The CTG is equipped with an evaporative cooler on the inlet air system and dry low nitrogen oxide (NO_x) combustors.
- The heat recovery steam generator (HRSG) would be a horizontal, natural circulation type, equipped with duct burners. The emission reduction system includes a selective catalytic reduction (SCR) unit to control nitrogen oxide (NO_x) stack emissions and an oxidation catalyst to control carbon monoxide (CO) emissions.

- A small auxiliary boiler would provide steam needed to achieve reduced start times through the CTG "Rapid Response" system.
- The LEC would receive recycled water provided by the City of Lodi's WPCF. The project would access this water through an existing 48-inch diameter pipeline in the utility corridor connecting the LEC and the WPCF.
- Cooling tower blowdown water will be disposed of using a new Class I underground injection well (UIW). As a result, no process wastewater would be discharged from the plant.
- A new approximately 520-foot, 230-kilovolt (kV) line would be constructed to transmit the plant output to the electrical grid via the existing 230-kV switchyard adjacent to the existing plant.
- A new 2.5 mile-long gas line would be built parallel to the existing natural gas pipeline for serving NCPA's Combustion Turbine Project #2 (CTP #2) facility; it would provide fuel gas to the site.
- A new onsite potable water well would be built.
- Onsite interconnection to an existing recycled water pipeline and an existing sanitary sewer pipeline would also be included in the proposed project.

Shared facilities between LEC and the existing plant

Some of the existing facilities at the existing plant would be shared with the proposed project, most notably the infrastructure:

- The anhydrous ammonia system, including both the 12,000-gallon storage tank and unloading facilities.
- The 230-kilovolt (kV) switchyard and grid interconnection.
- The fire systems, including fire water storage tanks and diesel-fired emergency fire pump.
- The domestic water systems, including eye wash stations and emergency showers.
- An existing Class I UIW (to be used for backup only).

In addition, the following facilities would be modified or built as part of the proposed project and shared with the CTP #2 plant:

- The administration building, including the control room, office space, maintenance shop and communications systems.

- The warehouse facilities.
- The gas metering station for the existing plant would be relocated to accommodate the proposed LEC plant and would be shared by both facilities.
- Note: The commercial cooling tower for the existing plant would be relocated to accommodate the proposed LEC plant, but would not be shared by both facilities.

If approved, construction of the project would begin in the first quarter of 2010 and would last for 24 months. Pre-operational testing of the power plant would begin in the fourth quarter with full-scale commercial operation commencing by first quarter 2012.

Energy Commission's Facility 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 is the lead agency under the California Environmental Quality Act (CEQA), but through its certification regulatory program, produces several environmental and decision documents rather than an Environmental Impact Report.

The first step in the review process is for Energy Commission staff to determine whether or not the AFC contains all the information required by our regulations. When the AFC is deemed data adequate, we will begin the data discovery and issue analysis phases. At that time, a detailed examination of the issues will occur.

Over the coming months, the Energy Commission will conduct a number of public workshops and hearings on the proposal to determine whether the proposed project should be approved for construction and operation and under what set of conditions. These workshops will provide the public as well as local, state and federal agencies the opportunity to ask questions about, and provide input on, the proposed project. The Energy Commission will issue notices for these workshops and hearings at least ten days prior to the meeting.

Agency Participation

We request that you provide any written comments you may have regarding potential issues of concern by **October 10, 2008**. Please address your comments to Rod Jones, Project Manager, 1516 9th Street, MS-15, Sacramento, CA 95814, or by email to rjones@energy.state.ca.us. Your agency may also present its comments and recommendations in person at the Energy Commission's **October 22, 2008** Business Meeting. The limited purposes of that meeting will be to determine whether the AFC is data adequate in accordance with our regulations and to assign a committee of two Commissioners to oversee the proceeding.

September 22, 2008

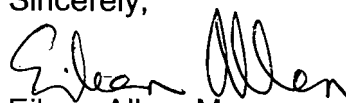
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When the AFC is accepted as data adequate, your participation in the proceeding will continue to be valuable and encouraged and will allow you to identify and try to resolve issues of concern to your agency. There may be specific requests for agency review and comment during the proceedings after the AFC has been determined to be data adequate. Local agencies may seek reimbursement for costs incurred in responding to these requests. However, comments provided in response to this request during data adequacy are not reimbursable under Energy Commission regulations.

Assuming that the proposed project is found to be data adequate on October 10, 2008, your agency's preliminary and final determinations and opinions (such as those contained in a Determination of Compliance, wastewater discharge requirements, biological opinions, and land use decisions) would be due by February 19, **2009** (120 days) and **April 18, 2009** (180 days), respectively.

Enclosed is a copy of the AFC in electronic format (CD). If you would like to have a hard copy of the AFC sent to you, if you have questions, or if you would like additional information about reimbursement or how to participate in the Energy Commission's review of the proposed project, please contact Rod Jones, Project Manager, at (916) 654-5191, or by email at rjones@energy.state.ca.us. The status of the proposed project, copies of notices, an electronic version of the AFC, and other relevant documents are also available on the Energy Commission internet website at <http://www.energy.ca.gov/sitingcases/lodi>. By being on the mailing list, you will receive notices of all project related activities and documents related to the proposed project's evaluation and review. You can also subscribe to receive email notification of all notices at <http://www.energy.ca.gov/listservers>.

Sincerely,



Eileen Allen, Manager
Energy Facilities Siting and Compliance Office

Enclosure