GALATI | BLEK LLP

455 Capitol Mall Suite 350
Sacramento CA 95814
Tel· 916.441.6575
Fax· 916.441.6553

DOCKET
08-AFC-10
DATE APR 12 2010
RECD. APR 12 2010

April 12, 2010

California Energy Commission
Docket Unit
1516 Ninth Street
Sacramento, CA 95814-5512

Subject: **NORTHERN CALIFORNIA POWER AGENCY'S COMMENTS ON THE PRESIDING MEMBER'S PROPOSED DECISION**
DOCKET NO. (08-AFC-10)

Enclosed for filing with the California Energy Commission is the original copy of the **NORTHERN CALIFORNIA POWER AGENCY'S COMMENTS ON THE PRESIDING MEMBER'S PROPOSED DECISION**, for the Lodi Energy Center (08-AFC-10).

Sincerely,

Marie Mills

Marie Mills

Scott A. Galati
Robert A. Gladden
GALATIBLEK, LLP
455 Capitol Mall
Suite 350
Sacramento, CA 95814
(916) 441-6575

STATE OF CALIFORNIA

Energy Resources
Conservation and Development Commission

In the Matter of: Application for Certification for the **LODI ENERGY CENTER**	**DOCKET NO: 08-AFC-10** **NORTHERN CALIFORNIA POWER AGENCY'S COMMENTS ON THE PRESIDING MEMBER'S PROPOSED DECISION**

Northern California Power Agency (NCPA), in accordance with the Committee Notice of Availability of the Presiding Member's Proposed Decision (PMPD) and Notice of Commission Hearing, dated March 10, 2010, hereby files its comments to the PMPD.

NCPA has carefully reviewed the PMPD and is in substantial agreement with the conclusions and conditions, with the incorporation of the minor clarifications and clerical corrections offered below. Suggested additions are shown in **bold underline** and suggested deletions are shown in ~~strikethrough.~~

TABLE OF CONTENTS

Page iv:

The Appendix designations for "A" and "B" need to be switched.

INTRODUCTION

Page 2, Second Paragraph

The length of the transmission/generation tie-line should be changed from 520 feet to **approximately 1100 feet** and the length of the natural gas pipeline should be changed from 2.5 miles to **2.7** miles in accordance with Exhibit 49.

Page 6, Section C. Procedural History, Just after the First Full Paragraph

[NCPA requests the following procedural/factual additions be inserted to better reflect the evidence submitted in support of the proposed decision (Exhibits 15, 11, and 50, respectively)].

[1st paragraph] Staff conducted a Data Response and Issue Resolution workshop on February 23, 2009,…… and U.S. Fish and Wildlife Service (USFWS).

On October 16, 2009, the LEC received its Underground Injection Well (UIW) Permit from the U.S. EPA.

On November 19, 2009, the Committee held a Status Conference, in order to assist the Committee and participants in understanding the process and expectations.

The LEC received its draft Final Determination of Compliance on November 19, 2009.

The Staff Assessment (SA) was published on November 30, 2009. The Staff provided notification by letter and held a SA Workshop on December 14, 2009 in Sacramento.

On November 24, 2009, the Committee issued a Notice of Prehearing Conference and Evidentiary Hearing. The prehearing conference was held on January 5, 2010. Evidentiary hearings were held on January 5 and 28, 2010, both at the Energy Commission headquarters in Sacramento.

The LEC received its Final Determination of Compliance on January 22, 2010.

PROJECT DESCRIPTION

Page 7, Last Full Paragraph, First Sentence

This sentence should be modified to read, “Construction costs are estimated to be between $275 **and $375** million.

Page 8, Section 3. Power Plant Equipment and Linear Facilities, First Sentence

Part (1) of this sentence should be modified to read, "One natural ~~gas-fried~~ **gas-fired** Siemens STGS-5000F combustion turbine-generator (CTG), …
(remainder of sentence unchanged)

Page 8, Section 5. Natural Gas Supply

To reflect the clarification of the natural gas route that was presented in Supplement C, NCPA recommends the following additions to this paragraph

In March, 2009, the Applicant submitted Supplement C to reflect that natural ~~Natural~~ gas will be delivered to the project through a new off-site pipeline about 2.7 miles long running parallel to the 3-mile existing natural gas pipeline (#108) owned by Pacific Gas and Electric which services the existing STIG plant adjacent to the LEC project site. **(Ex. 30)** A portion of the pipeline (about 1.1 miles) has been revised between N. Thornton Road and N. Devries Road, and will increase the linear corridor by approximately 1,274 feet (0.24 mile). The route change is considered minor. (Exs. 1, p. 2-19; 300. pp. 3-2 to 3-3.)

Page 9, Section 6. Water Supply, First Paragraph

Consistent with Exhibit 49, any reference to a 48 inch pipe should be deleted; this segment should read: T**he recycled water will be provided by a new pipeline that will be located immediately adjacent to the existing pipeline serving the STIG**.

Page 9, Section 7. Wastewater Discharge

The LEC will not have underground storage tanks for wastewater treatment or discharge, accordingly, delete third sentence under this heading relating to the presence of underground storage tanks.

Page 10, Finding of Fact 2.

The project will have a **nominal** ~~name plate~~ capacity rating of 296MW.

[Footnote 2 should also be changed to reflect the same: "296 MW is the ~~name plate or rated~~ **nominal capacity of the project,…"]

Page 10, Findings of Fact 3.

The project involves construction of a new ~~520 foot kilovolt~~, **approximately 1100 feet in length,** transmission**/generation tie-**line to the existing 230 kV switchyard substation adjacent to the plant

PROJECT ALTERNATIVES

Page 14, Alternatives Table 1

The table should be modified in the Linear Connections row, LEC Site column, to reflect that the length of the electrical transmission/generation tie- line for the LEC is **approximately 1100 feet**.

Page 15, (Top of Page) Footnote 1 to Alternatives Table 1

Footnote 1 references connection to an existing 48 inch recycled water pipeline and, as indicated above, should be deleted. **The recycled water will be provided by a new pipeline that will be located immediately adjacent to the existing pipeline serving the STIG**.

Page 17, First Paragraph

The first paragraph should be modified to reflect the actual equipment utilized:

"To minimize NOx emissions, the LEC combustion turbine generators will be equipped with ~~water injection combustors~~ **dry low NOx combustors** and selective catalytic reduction using anhydrous ammonia as the reducing agent. (Ex. 1, p. 6-18). However the Applicant considered the following combustion turbine NOx control alternatives: steam injection and **water injection** ~~dry low NOx combustors~~."

///

///

COMPLIANCE AND CLOSURE

Pages 45-46, Facility Design Table 1

Several corrections are needed to ensure accuracy and conform to actual and shared uses of the project and those of the STIG plant, as follows:

Page 45: In the second row, CT Enclosure Structure,… the Quantity should be **1**

Page 46: In the fifth row, ~~Fire/Raw~~ should be changed to **Service**

Delete thirteenth row (Warehouse Structure…). Not part of project

Delete fifteenth row, (Control Room Structure…). Not part of project

In eighteenth row, delete the parenthetical entry after Drainage Systems ~~(including sanitary drain and waste)~~

In the twentieth row, delete the parenthetical entry after Temperature Control and Ventilation Systems (~~including water and sewer connections~~)

POWER PLANT RELIABILITY

Page 65, Section 2. Plant Maintainability, Third Bullet

The reference to three 50 percent capacity condensate pumps should be changed to **Two 100 percent capacity condensate pumps** in accordance with Exhibit 301.

TRANSMISSION SYSTEM ENGINEERING

Page 70, Section 1. Switching Station Upgrades. Last paragraph

The transmission/generation tie-line length should be changed from 520 feet to **approximately 1100** feet.

Page 77, Condition of Certification TSE-5:

Item A. of this condition incorrectly identifies that the transmission/generation tie-line is 520 feet in length. This should be modified to **approximately 1100** feet.

TRANSMISSION LINE SAFETY AND NUISANCE

Page 81, Summary and Discussion of Evidence, First Sentence

The reference to 500 feet as the length of the transmission/generation tie-line should be changed to **approximately 1100** feet.

Page 81, Summary and Discussion of Evidence, Aviation Safety (bottom portion of paragraph)

"…The evidence further shows, however, that the **73** ~~78~~ foot height of the line's support structures is well below the 200-foot height threshold of concern for the FAA."

Page 84, Findings of Fact 1

The length of the transmission/generation tie-line should be modified from 500 feet to **approximately 1100** feet.

AIR QUALITY

NCPA requests that the numeric MW designation in two places be changed to reflect the revised numbers associated with the turbine change; as previously noted on PMPD Page 10 and Page 69 – relative to the nominal capacity total of 296MW (200.8MW – turbine and 95MW-STG). Accordingly, the changes should be made as follows:

Page 102, fourth line under Air Quality Table 3

185 MW should be changed to **200.8 MW**

Page 118, Findings of Fact 3

185 MW should be changed to **200.8 MW**

Page 118, Findings of Fact 11

The limit set by SJ**V**APCD is adequate mitigation for ammonia slip

HAZARDOUS MATERIALS MANAGEMENT

Page 186, Hazardous Materials Attachment A

LEC will not be using hydrogen for cooling and therefore the storage requirement is greatly reduced.

In the Row for Hydrogen: under the Application column, change entire entry to now read **general or miscellaneous**; and under Maximum Quantity on Site column, change ~~20,000~~ to **1000 cubic feet**

Page 187, Hazardous Materials Attachment A

In the Row for Oxygen, add "**cycle water treatment**" after "Welding gas" in the Application column

In the Row for Sodium Hydroxide, change the Maximum Quantity on Site column entry of 10 gallons to "**40 gallons**"

Page 188, Hazardous Materials Attachment A

In the Row for Aqueous Ammonia, under the column Application, "~~p/t control~~" should be changed to "**pH control**" and "~~flammable~~" should be changed to "**flammability**" in the last line of the Hazardous Characteristics column.

BIOLOGY

NCPA recommends the minor revision of financial calculations in three places and a wording change in one section to more accurately describe the transmission pole configuration and the transmission line length, as follows:

Page 213, first paragraph:

Change $~~16,342.68~~ to $**16,343.28** (shows up twice in paragraph; needs to be changed twice in the last two lines of pararaph)

Page 215, Section 4. Operational Impacts and Mitigation, Last Paragraph

The LEC project includes a 150-foot exhaust stack, a 105-foot heat recovery steam generator, **one turning pole no more than 73 feet tall,** and ~~two~~ **five**73-foot monopole support towers. The transmission tower structures will support ~~520~~ **approximately 1100** feet of new transmission lines that will tie the plant to the existing STIG power plant's 230-kV switchyard.

Page 227, BIO-9

Change $~~27,161.06~~ to **$27,162.07**

Page 228, BIO-11

Change $~~16,342.68~~ to **$16,343.28**

SOIL AND WATER

NCPA requests that the first two paragraphs of this section be modified to reflect the receipt of the UIC permit as well as the amount of gallons per minute authorized (Exhibit 15), as follows:

Page 237, Wastewater (first two paragraphs)

"The evidence indicates that the project will discharge up to **225** ~~189~~ gpm of nonhazardous process wastewater to an on-site Class I injection well. Presently, NCPA owns and operates a Class I injection well for wastewater injection at the STIG facility. NCPA has ~~submitted a new~~ **received an** Underground Injection Control (UIC) permit ~~application to~~ **from** the USEPA Region IX for the combined STIG-LEC facility **(Exhibit 15)**. The **receipt of the permit was based on the** application **submitted by NCPA (Exhibit 43) which** contains the initial underground injection well application for the LEC injection well that will support LEC operation, a re-application for the existing STIG injection well, and an application for a third injection well for future use as a backup injection well. (Ex. 300, p. 4.9-6.)

The process wastewater will consist of tertiary treated makeup water and other recovered process wastewater streams. Process wastewater will be collected in the wastewater discharge tank and conveyed via pipeline to the well pad for injection at a maximum rate of **225** ~~189~~ gpm. (Ex. 300, pp. 4.9-14 to 4.9-15.)"

GEOLOGY AND PALEONTOLOGY

NCPA recommends the modified language submitted in its staff assessment comments, that were not objected to by the Staff, be added in order to conform to the practical needs of the project and fulfillment of condition PAL-4, as follows:

Page 275, PAL-4, First Sentence

If after review of the plans provided pursuant to **PAL-2**, the PRS determines that materials with moderate **or** high~~, or unknown~~ paleontological sensitivity could be…. (remainder of Condition unchanged)

Page 276, PAL-4 Verification, First Sentence

Not more than 5 days ~~prior to ground disturbance,~~ after implementation of a PRMMP, the project owner shall submit the proposed WEAP, including the brochure, with the set of reporting procedures for workers to follow.

LAND USE

Page 281, Section 1. The Site, First Sentence

The 4.4-acre LEC site and the ~~5.4-acre~~**9.8-acre** temporary laydown and parking areas are located on land owned by the City of Lodi, six miles west of the city center, on the west side of Interstate 5 (I-5), less than two miles south of State Route 12 (SR 12).

NOISE AND VIBRATION

Page 312, Summary and Discussion of the Evidence, Second Paragraph

New off-site linear facilities include a **2.7** ~~2.5~~-mile-long natural gas pipeline. The Applicant intends to ~~use an existing~~ **construct a new** water supply pipeline from the WPCF and **use** existing transmission lines connecting to an adjacent switchyard.

///

///

VISUAL RESOURCES

Page 327, Section a. Construction Impacts, First Sentence

"Construction activities will occur over approximately ~~27~~ **24** months"

Page 329, Section b. Operation Impacts, First Paragraph

Three transmission poles and the turning pole and lines will be installed on the east side of the property. Two ~~Five~~ transmission poles and lines will be installed on the north side of the property to tie into the existing 230-kilovolt (kV) switchyard adjacent to the STIG plant. The new plant will use existing nearby infrastructure and utility corridors to tie into the switchyard as well as for access to ~~cooling water and~~ sewer connections. A new gas pipeline, which will extend beyond the project site**, and recycled water pipeline,** will be constructed below ground.

Page 336, Impact Significance, First Paragraph

Delete last sentence in this paragraph relating to landscaping; Condition of Certification VIS-2 is not required.

Pages 342, Section 2. Visible Vapor Plumes

NCPA notes that the first sentence of this section incorrectly states the project will install a plume-abated tower. This is inaccurate. The LEC will not include a plume abated tower. The discrepancy was created when LEC provided an inaccurate fogging frequency curve to the Commission Staff. A revised curve (Exhibit 5) was submitted and Staff review did not change the analysis or conditions. Therefore, any reference to "plume abatement" should be deleted. NCPA suggests the following language be inserted to the first two paragraphs of this section:

> The record indicates that the combustion turbine generators (CTGs) include a ~~plume abated~~ cooling tower which will result in minimal plume formation and less than significant visible plume frequencies. (Ex. 300, pp. 4.12-17 and 4.12-36.)
>
> A visible plume frequency of 20 percent of seasonal (November through April) daylight clear hours was used as a plume impact study threshold trigger. Base load operation with or without duct firing is predicted to produce infrequent visible gas turbine/HRSG plumes, well below 20 percent of seasonal daylight clear hours. See **Visible Plume** ~~Figure~~ **Table 1**:

At Page 343:

Just after Table 1, NCPA recommends that the following paragraph be inserted prior to the final paragraph in this section to be consistent with the Staff Assessment:

> **Subsequent to the preparation of this table, the NCPA revised the turbine design to one that will not include duct firing. The staff has concluded that this new turbine selection would not change the impact determination for the HRSG visible plumes-- the impact remains less than significant due to low visible plume frequency potential for the turbine/HRSG exhaust.**
>
> Nevertheless, to ensure that the operation of the LEC will not result in significant visible water vapor plumes, Condition of Certification **VIS-3** will ensure that the cooling tower operation does not create visible plumes that could result in (1) a significant impact on visual quality; that is, substantially degrade the existing visual character or quality of the site and its surroundings; and (2) plume ground-fogging events that will create significant traffic safety impacts on I-5. With these mitigation measures, we find that visible vapor plumes will not cause significant visual impacts. (Ex. 300, p. 4.12-36.)

Page 344, Section 4. Cumulative Impacts and Mitigation

According to the City of Lodi Public Works Department, the improvements to the White Slough WPCF~~,~~ **are** scheduled to begin in 2010 ~~and last between 18 to 24 months, will accommodate the increased water flow needed by the LEC~~.

Page 345, Findings of Fact 1

Change construction time frame from "approximately ~~27~~ to **24 months"**.

Page 345, Findings of Fact 9

This finding should be modified to reflect that the LEC will not include a plume-abated tower.

The combustion turbine generators (CTGs) include a ~~plume abated~~ cooling tower which will result in minimal plume formation and less than significant visible plume frequencies.

Page 345, Findings of Fact 10

This finding should be deleted as NCPA is not required and will not be providing landscaping.

CONCLUSION

NCPA believes that incorporation of the proposed changes into the PMPD, as expressed above, will more accurately describe the findings, conclusion and conditions established in the evidentiary hearing on this matter.

Dated: April 12, 2010

Respectfully Submitted,

// Original Signed //

_____
Robert A. Gladden
Counsel to NCPA

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 *Lodi Energy Center*

DOCKET NO. 08-AFC-10

PROOF OF SERVICE
(Revised 2/8/10)

APPLICANT
Ken Speer
Assistant General Manager
Northern California
Power Agency
651 Commerce Drive
Roseville, CA 95678
ken.speer@ncpagen.com

Ed Warner
Project Manager
Northern California
Power Agency
P.O. Box 1478
Lodi, CA 95241
ed.warner@ncpagen.com

APPLICANT'S COUNSEL
Scott Galati
Galati Blek
455 Capitol Avenue, Ste. 350
Sacramento, CA 95814
sgalati@gb-llp.com

APPLICANT'S CONSULTANT
Andrea Grenier
Grenier & Associates, Inc.
1420 E. Roseville Pkwy,
Ste. 140-377
Roseville, CA 95661
andrea@agrenier.com

Sarah Madams
CH2MHILL
2485 Natomas Park Drive,
Ste. 600
Sacramento, CA 95833
smadams@ch2m.com

APPLICANT'S ENGINEER
Steven Blue
Project Manager
Worley Parsons
2330 E. Bidwell, Ste. 150
Folsom, CA 95630
Steven.Blue@WorleyParsons.com

INTERESTED AGENCIES

California ISO
e-recipient@caiso.com

INTERVENORS

ENERGY COMMISSION
KAREN DOUGLAS
Chairman and Presiding
Member
kldougla@energy.state.ca.us

JEFFREY D. BYRON
Commissioner and Associate
Member
jbyron@energy.state.ca.us

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

Kristy Chew, Adviser to
Commissioner Byron
kchew@energy.state.ca.us

Rod Jones
Project Manager
rjones@energy.state.ca.us

Melanie Moultry
Staff Counsel
MMoultry@energy.state.ca.us

*Jennifer Jennings
Public Adviser
publicadviser@energy.state.ca.us

DECLARATION OF SERVICE

I, Marie Mills, declare that on April 12, 2010, I served and filed copies of the attached **NORTHERN CALIFORNIA POWER AGENCY'S COMMENTS ON THE PRESIDING MEMBER'S PROPOSED DECISION** dated April 12, 2010. The original document, filed with the Docket Unit, is accompanied by a copy of the most recent Proof of Service list, located on the web page for this project at: [http://www.energy.ca.gov/sitingcases/lodi]

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

(*Check all that Apply*)

FOR SERVICE TO ALL OTHER PARTIES:

__X__ sent electronically to all email addresses on the Proof of Service list;

__X__ by personal delivery or by depositing in the United States mail at with first-class postage thereon fully prepaid and addressed as provided on the Proof of Service list above to those addresses NOT marked "email preferred."

AND

FOR FILING WITH THE ENERGY COMMISSION:

__X__ sending an original paper copy and one electronic copy, mailed and emailed respectively, to the address below (***preferred method***);

OR

____ depositing in the mail an original and 12 paper copies, as follows:

CALIFORNIA ENERGY COMMISSION
Attn: Docket No. 08-AFC-10
1516 Ninth Street, MS-4
Sacramento, CA 95814-5512
docket@energy.state.ca.us

I declare under penalty of perjury that the foregoing is true and correct.

// Original Signed //

Marie Mills