

CALIFORNIA ENERGY COMMISSION

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June 6, 2008

TO: AGENCY DISTRIBUTION LIST (Local)**REQUEST FOR AGENCY PARTICIPATION IN THE REVIEW OF THE MARSH LANDING GENERATING STATION APPLICATION FOR CERTIFICATION, (08-AFC-3)**

On May 31, 2008, the California Energy Commission received an Application for Certification (AFC) from Mirant Marsh Landing, LLC (Mirant) for the Marsh Landing Generating Station (MLGS). The proposed MLGS project would consist of natural gas fired electric generation facilities and ancillary systems including electric and gas transmission lines; water and wastewater pipelines; and a water treatment facility at the Delta Diablo Sanitation District (DDSD) Bridgehead Lift Station (BLS).

As part of our review process, the staff of the Energy Commission works closely with local, state and federal agencies to ensure that all laws, ordinances, regulations and standards (LORS) are addressed in the final decision of the California Energy Commission.

Project Description

The MLGS facility is proposed for a 27-acre site in Contra Costa County, California, north of the City of Antioch and currently occupied by five fuel storage tanks within Mirant's existing Contra Costa Power Plant site. If approved, construction of the new power plant is expected to occur over a 33-month period (October 2009 through June 2012), and is expected to cost approximately \$800 million.

The MLGS project would have a nominal electrical output of 930 megawatts (MW) generated from four power blocks: two Siemens Flex Plant 10 (FP10) combined-cycle units; and two Siemens 500F combustion turbine units operating in simple-cycle mode. The generators would be interconnected to the existing Pacific Gas & Electric Company (PG&E) switchyard located adjacent to the MLGS site. The MLGS would use natural gas that would be delivered via a new pipeline that connects to PG&E's interstate gas transmission Line 400, which runs along the eastern boundary of the Gateway Generating Station (GGS), immediately east of the PG&E switchyard. The MLGS FP10 units would use air-cooled heat exchanger technology to reduce consumptive water use. New water treatment facilities would be constructed at Mirant's expense by DDSD at their 3.4-acre BLS site and owned and operated by DDSD. Approximately 736 acre feet per year of recycled water from the BLS site would be delivered to the MLGS site, and associated wastewater returned, via new 1-mile-long water lines.

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. The Energy Commission's facility certification process carefully examines public health, safety, environmental impacts and engineering aspects of proposed power plants and their 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).

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 of this 12-month licensing proceeding. 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 10 days prior to the meeting.

Agency Participation

During this data adequacy phase, we request that you review the sections of interest to your agency and determine whether the major issues of concern have been identified. At this time, we are only concerned that such issues are disclosed, not necessarily that they be discussed in detail. We request that you provide us with any written comments you may have regarding the disclosure of any potential issues of concern by **July 2, 2008**. Please address your comments to Mike Monasmith, Project Manager, 1516 9th Street, MS-15, Sacramento, CA 95814, or email him at: mmonasmi@energy.state.ca.us. Your agency may also present its comments and recommendations in person at the Energy Commission's **July 16, 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.

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 guidelines.

Enclosed is a copy (CD) of the AFC in electronic format. 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 on how to participate in the Energy Commission's review of the proposed project, please contact Project Manager, Mike Monasmith. The proposed project, copies of notices, electronic version of the AFC, and other relevant documents are also available on the Energy Commission's Internet web site at <http://www.energy.ca.gov/sitingcases/marshlanding>. If you wish to be on the mailing list, you can also subscribe to receive e-mail notifications at <http://www.energy.ca.gov/listservers>.

Sincerely,



Eileen Allen, Manager
Energy Facilities Siting and Compliance Office

Enclosure