

CALIFORNIA ENERGY COMMISSION

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TO: AGENCY DISTRIBUTION LIST (STATE AND FEDERAL)

REQUEST FOR AGENCY PARTICIPATION IN THE REVIEW OF THE GWF TRACY COMBINED CYCLE POWER PLANT, APPLICATION FOR CERTIFICATION (08-AFC-7)

On July 18, 2008, the California Energy Commission received an Application for Certification (AFC) from GWF Energy, LLC for the GWF Tracy Combined-Cycle Power Plant (GWF Tracy). GWF Energy, LLC proposes to modify the existing Tracy Peaker Plant (TPP) (01-AFC-16), a nominal 169-megawatt (MW) simple-cycle power plant by converting the facility into a combined-cycle power plant with a new nominal 314 MW. The proposed project would occupy a 16.38-acre, fenced site within the existing GWF-owned 40-acre parcel in an unincorporated portion of San Joaquin County immediately southwest of Tracy, California, and approximately 20 miles southwest of Stockton, California. If approved, the start of construction is planned for the fall of 2011 with commercial operation planned to begin in the second quarter of 2013.

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 are addressed in the final decision of the California Energy Commission.

Project Description

GWF Energy, LLC's objective is to convert the TPP to a GWF combined cycle plant in order to address the future electricity needs of California, construct and operate an electrical generating facility on an existing brown-field site, provide additional electrical capacity in the San Joaquin County and City of Tracy area, utilize existing TPP infrastructure to reduce environmental impacts and costs, and enhance the reliability of the state's electrical system by providing power generation near the centers of electrical demand.

The proposed project site consists of 16.38 acres within a 40-acre parcel in San Joaquin County, and is located within an industrial and agricultural area which includes the existing TPP. The San Joaquin County General Plan designates the proposed project site as General Agriculture and the County Zoning Designation is G 40, which allows electrical generation.

The project would include the addition of two heat recovery steam generators, a steam turbine generator, an auxiliary boiler, an air-cooled dry condenser unit, and a 115-kilovolt (kV) electrical switchyard. The proposed project would use existing TPP infrastructure, including the existing natural gas pipeline, water supply pipeline and electric transmission line. Three short segments of the PG&E's 115 kV transmission system (totaling approximately 3 miles) would require reconductoring (upgraded wires to accommodate the added generating capacity). The reconductoring segments would be a 0.7 mile long transmission line adjacent to the proposed project site, and two

segments, approximately 1.6 miles and 0.7 mile long, respectively, near the intersection of Interstate (I-5) and I-205, near the PG&E Kasson Substation.

Process water would be supplied via the existing TPP pipeline from the Delta-Mendota Canal by the Byron Bethany Irrigation District.

Some major components and features of the proposed GWF Tracy project include:

- A new equipment storage area added outside the current footprint, but within an area that was previously disturbed during construction of the TPP.
- Temporary disturbance of approximately 12.3 acres for construction laydown and parking on a previously disturbed portion of the 40-acre parcel that is outside of the existing plant fence line.
- Permanent disturbance of approximately 3.28 acres associated with the relocation of the stormwater retention basin.
- No new, expanded, or modified offsite linear facilities for fuel or water.
- Demolition and removal of the two existing oxidation catalyst and selective catalytic reduction (SCR) systems, including existing 100-foot stacks.
- Demolition of the existing stormwater evaporating/percolation basin to accommodate the air-cooled (dry) condenser (ACC) unit on the existing site.
- Addition of two new heat recovery steam generators (HRSG), each receiving the exhaust from one of the existing General Electric Frame 7EA combustion turbine generators (CTGs), and equipped with 324 MMBtu/hr, HHV capacity, natural gas-fired duct burners.
- Addition of new higher efficiency oxidation catalyst system within each HRSG to control carbon monoxide (CO) and volatile organic compounds (VOC) emissions to outlet concentration of less than 2 parts per million volume dry (ppmvd) at 15% oxygen (O₂) and less than 2 ppmvd at 15% O₂ respectively.
- Addition of a new higher-efficiency SCR system within each HRSG reusing the existing aqueous ammonia storage system to control oxides of nitrogen (NO_x) emissions less than 2 ppmvd at 15% O₂.
- Modification of the wastewater treatment system to optimize water supply requirements and minimize offsite water disposal
- Addition of two new 150-foot-tall, 17-foot-diameter, exhaust stacks replacing the existing exhaust stacks, each equipped with existing continuous emissions monitoring systems for CO, NO_x and O₂.
- Addition of a new 85 MMBtu/hr capacity natural gas-fired auxiliary boiler equipped with ultra low NO_x burner(s) and 50-foot-tall, 48-inch-diameter stack.
- Addition of new nominal 145 MW (Net output) condensing steam turbine generator (STG)

- Addition of a new 114-foot-tall by 234-foot-long by 215-foot-wide ACC system for system heat injection.
- A small increase in annual water consumption of approximately 24.9 acre-feet per year for HRSG feedwater makeup and lube oil cooler.
- Addition of a new 400,000 gallon fire/service water storage tank, modification to increase the existing 250,000-gallon firewater tank to 300,000 gallons, and the addition of a 125,000-gallon de-mineralized water tank.
- Addition of an onsite 115-kV switchyard to provide an additional circuit breaker and transformer for the STG power output.
- Addition of an onsite 115-kV overhead transmission line from the STG step up transformer to the existing 115-kV switchyard.

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 **August 22, 2008**. Please address your comments to Christopher Meyer, Project Manager, 1516 9th Street, MS-15, Sacramento, CA 95814, or by email to cmeyer@energy.state.ca.us. Your agency may also present its comments and recommendations in person at the Energy Commission's **August 27, 2008** Business Meeting. The limited purposes of that meeting will be to determine whether the AFC is

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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 regulations.

Assuming that the proposed project is found to be data adequate on August 27, 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 **December 30, 2008** (120 days) and **February 28, 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 Christopher Meyer, Project Manager, at (916) 653-1639, or by email at cmeyer@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/tracyexpansion/index.html>. 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