

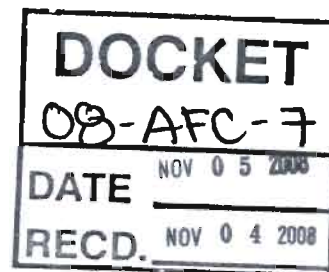
## CALIFORNIA ENERGY COMMISSION

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



November 5, 2008

Chandler Martin  
Deputy Director, Planning Division  
San Joaquin County, Community Development Department  
1810 East Hazelton Avenue  
Stockton, CA 95202-6232



**RE: GWF Tracy Combined Cycle Power Plant (08-AFC-07)**

Dear Mr. Martin:

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). On September 10, 2008, the AFC for GWF Tracy was deemed data adequate by the California Energy Commission. A brief summary of the project is attached.

Energy Commission staff have begun an assessment of the project (a summary of our 12-month licensing process is attached). As part of our assessment, we are interested in the county's position related to land use, traffic/transportation, visual resources, and any other aspects of the project that may be of concern to your agency (Title 20, California Code of Regulations section 1714.5). We would like to incorporate the county's input and address any concerns in our Preliminary Staff Assessment (PSA). We expect to release the PSA for public review and comment by mid-2009.

### **Land Use**

**Land Use/Zoning Designation Issues.** The existing Tracy Peaker Plant (TPP) and the GWF Tracy project site are located in unincorporated San Joaquin County in an area that is within the City of Tracy's Sphere of Influence (SOI). However, because the TPP site was never annexed to the city of Tracy, as part of the Final Decision for the TPP, the Energy Commission found that the TPP site is within the county's jurisdiction and that the city of Tracy laws, ordinances, regulations and standards (LORS) are not applicable to the project.

The San Joaquin County General Plan land use designation for the site is *General Agriculture*; the site is zoned *Agricultural (AG 40)*. The San Joaquin County General Plan indicates that power generating facilities are compatible uses within agricultural and industrial areas. According to the San Joaquin County Development Title (which is equivalent to a zoning ordinance), and consistent with the General Plan requirements for lands designated General Agriculture, power generating facilities are a conditionally permitted use within the AG 40 district. Pursuant to *Section 9-605.6 Special Use Regulations, (d) Power Generating Facilities, a permit approval shall be subject to all of the following findings: (1) The source of the power requires locating the use in an area*

*designated as Agricultural or Resource Conservation in the General Plan; (2) The use will not have a significantly detrimental effect on the agricultural activities in the vicinity; and (3) The site of the use can be rehabilitated for agricultural production or a permitted use in the AG zone if the power source is temporary.*

The San Joaquin County Planning Department, in a September 18, 2001 record of findings regarding the compatibility of the TPP with the agricultural zoning of the parcel, stated that "[t]he sub findings under Section 9-605.6(d) can be made." Although staff acknowledged that the county's findings at that time were not unreasonable, we did not agree with the county's findings in their entirety. Staff concluded, after consideration of the San Joaquin County LORS addressing agricultural land preservation, that with adopted mitigation (i.e., proposed Condition of Certification **LAND-2**), the TPP would not result in a significant environmental impact. Despite staff's uncertainties and questions regarding the TPP's consistency with individual General Plan policies and the county's conditional use permit findings, staff accepted the county staff's interpretation of its General Plan goals and policies and the conditional use permit findings required in its zoning regulations, as reasonable options.

**Agricultural Lands.** In addition to being sited on lands zoned as AG 40, the TPP converted 13.1 acres of *Prime Farmland* to a non-agricultural use. Similarly, the GWF Tracy project site includes lands zoned as AG 40, and would convert 3.28 acres of *Prime Farmland* to non-agricultural uses. In addition, there is a potential for disturbance to offsite surrounding lands zoned for agricultural and/or designated as *Important Farmlands* as a result of project-related components described in detail in the AFC (e.g., construction laydown/parking area, transmission lines, etc.).

The TPP Condition of Certification **LAND-2** from the TPP Final Decision required the applicant to provide mitigation fees to the American Farmland Trust to compensate for Prime Farmland conversion impacts. It also required the applicant to develop an agricultural mitigation plan describing long-term management of the remaining agricultural operation on the unconverted portion (29.7 acres) of the 40-acre parcel where the project is located. With implementation of **LAND-2**, Energy Commission staff found that TPP's conversion of the 13.1 acres of *Prime Farmland* to a non-agricultural use was less than significant.

At this time, staff is in the discovery phase and is researching land use issues related to GWF Tracy. Similar to the TPP, staff expects to recommend measures like **LAND-2** to mitigate impacts to lands within agricultural zones and/or agricultural to less-than-significant levels.

Energy Commission staff would appreciate input from the county regarding the county's interpretation of its own policy guidance documents. Prior to making findings for its license, the Energy Commission staff would like the county to indicate the Conditional Use Permit (CUP) findings it would make regarding the GWF Tracy project, but for the exclusive authority of the Energy Commission and if so, what conditions San Joaquin

County would attach to this project, were it the permitting agency. Any conditions recommended by the county as part of a CUP will be considered by Energy Commission staff for inclusion in the conditions of certification for the project.

As part of the county's discussion of the CUP and given the LORS issues surrounding the TPP, we are also interested in understanding the county's position on the proposed project's overall consistency with its General Plan and Zoning Ordinance.

### ***Traffic and Transportation***

The Traffic and Transportation section of the AFC (pages 5.12-1 through 5.12-26) presents the applicant's assessment of the proposed project's consistency with the San Joaquin County's 2010 General Plan Transportation Element, San Joaquin County Hazardous Waste Management Plan, and the San Joaquin County Regional Transportation Plan (RTP) administered by the San Joaquin Council of Governments (SJCOG). The plans and polices determined applicable to the proposed project are identified on AFC Section 5.12.2.3 (Local Laws, Ordinances, Regulations, and Standards) on page 5.12-6. We would like to know whether the applicant's traffic/transportation information is complete and accurate and what traffic/transportation conditions if any, the county would require for the proposed project based on the traffic and transportation analysis provided in AFC Section 5.12.4 (Environmental Analysis).

### ***Visual Resources***

The Visual Resources section of the AFC (pages 5.13-1 through 5.13-21) outlines the applicant's assessment of the proposed project's consistency with San Joaquin County's aesthetic/visual regulations, architectural design review, landscape requirements, and scenic area regulations for the site. We would like to know whether the applicant's visual information is complete and accurate and what aesthetic/visual conditions, if any, would be required.

We request that San Joaquin County provide a letter by December 5, 2008, addressing the land use, traffic/transportation, and visual resources questions noted above. In your review of the AFC, if you have any other issues or concerns, or need additional time to respond, please let us know. Please contact Christopher Meyer, Siting Project Manager, by phone at (916) 653-1639 or by email at [cmeyer@energy.state.ca.us](mailto:cmeyer@energy.state.ca.us) should you have any questions or need additional time.

Sincerely,



Dale Edwards, Manager  
Environmental Protection Office  
Siting, Transmission and Environmental  
Protection Division

Mr. Martin  
November 5, 2008  
Page 4

cc: Docket (08-AFC-07)  
Proof of Service List

# FACT SHEET

---

## **Proposed Project Summary**

On July 17, 2002, the California Energy Commission (Energy Commission) issued a decision approving GWF Energy LLC's Application for Certification (AFC) for the 169-megawatt (MW) Tracy Peaker Project (TPP). On June 30, 2008, GWF Energy LLC submitted the GWF Tracy Combined Cycle Power Plant (GWF Tracy) (08-AFC-07) AFC to the Energy Commission to modify the existing TPP (01-AFC-16), a nominal 169-MW simple-cycle power plant, by converting the facility into a combined-cycle power plant with a new nominal generating capacity of 314 MW. GWF Tracy 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.

The project would include the following components.

- addition of a 115-kilovolt (kV) switchyard and 115 kV overhead transmission line onsite and reconductoring of approximately three miles of existing transmission line segments offsite;
- expansion of the existing PG&E Schulte Switching Station to loop in the existing 115-kV Tesla-Manteca transmission line;
- demolition of the two existing TPP 100-foot exhaust stacks and replacement with two new 150-foot-tall, 17-foot-diameter exhaust stacks;
- addition of a new 114-foot-tall by 234-foot-long by 215-foot-wide ACC system;
- demolition of the two existing oxidation catalyst and selective catalytic reduction (SCR) systems;
- addition of two new heat recovery steam generators (HRSG);
- addition of a new nominal 145-MW condensing stream turbine generator;
- addition of a new natural gas-fired auxiliary boiler equipped with 50-foot-tall, 48-inch-diameter stack;
- addition of a new 288-horsepower, diesel-fired emergency firewater pump;
- 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 TPP fence line;
- permanent disturbance of approximately 3.28 acres associated with the relocation of the existing stormwater retention basin; and
- 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 a new 125,000-gallon demineralized water tank.

## **Energy Commission Licensing Process**

The Energy Commission has the exclusive authority to license all new power plants and additions, 50 MW or greater in the state (Pub. Resources Code, §§ 25110, 25120, and 25500). The Energy Commission's license takes the place of other state, regional, and local permits (e.g., conditional use permit and variance), and other entitlements that would otherwise be required. 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 that would serve the project. The Energy Commission is the lead agency under the California Environmental Quality Act (CEQA) for all AFCs and has a certified regulatory program under CEQA.

As part of the licensing process, the Energy Commission must determine whether a proposed facility complies with all applicable state, regional, and local laws, ordinances, regulations, and standards (LORS) (Pub. Resources Code, § 25523(d)(1)). The Energy Commission must either find that a project conforms to all applicable LORS or make specific findings that a project is needed for public convenience and necessity even where the project is not in conformity with all applicable LORS (Pub. Resources Code, § 25525). For the Energy Commission to determine whether a proposed power plant project would comply with applicable LORS we seek out and welcome input from other state, regional, and local agencies.