

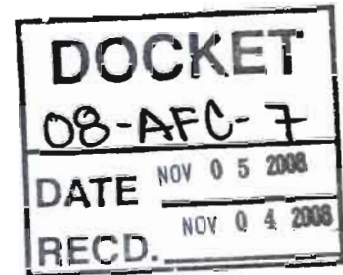
CALIFORNIA ENERGY COMMISSION

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



November 5, 2008

Vicki Lombardo, Senior Planner
Department of Development and
Engineering Services
City of Tracy
333 Civic Center Plaza
Tracy, CA 95376

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

Dear Ms. Lombardo:

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, and Energy Commission staff has begun its assessment of the project. We expect to release our Preliminary Staff Assessment for public review and comment by mid-2009. A brief summary of the project and the 12-month licensing process are attached.

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. Staff also believes that the city's LORS would not apply to GWF Tracy.

However, given GWF Tracy's proximity to the city of Tracy boundary and the city's level of interest and involvement in the TPP licensing process, the Energy Commission staff would appreciate input from the city regarding any concerns or questions that it may have regarding the project. In your review of the AFC, we would appreciate a letter by December 5, 2008, detailing any issues or concerns the city may have. Please contact Christopher Meyer, Siting Project Manager, by phone at (916) 653-1639 or by email at 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

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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.