

CALIFORNIA ENERGY COMMISSION

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



February 1, 2010

**NOTICE OF PUBLIC WORKSHOP FOR THE PRELIMINARY STAFF ASSESSMENT
FOR THE PROPOSED PALMDALE HYBRID POWER PROJECT
(08-AFC-9)**

**Thursday, February 11, 2010
Friday, February 12, 2010
Starting at 9:00 am**

**California Energy Commission
1516 9th Street, Sacramento, CA
Thursday 2/11 – Hearing Room B – 1st Floor
Friday 2/12 – 3rd Floor Conference Room
(Wheelchair Accessible – Map attached)**

DOCKET**09-AFC-10**

DATE JAN 21 2010

RECD JAN 21 2010

To participate in the meeting 2/11 by telephone please call:
(888) 664-9959 (toll-free in the U.S. and Canada), Passcode: 65948
To participate in the meeting 2/12 by telephone please call:
(888) 664-9959 (toll-free in the U.S. and Canada), Passcode: 65948

TO: MEMBERS OF THE PUBLIC

This notice is to inform you of the availability of the Preliminary Staff Assessment (PSA) for the Palmdale Hybrid Power (PHPP) project, Application for Certification (08-AFC-9). The PSA is being published in two parts: part one was published on December 23, 2009 and part two will be published on February 8, 2010. The PSA, part 1 contains the California Energy Commission staff's initial engineering and environmental evaluation of the PHPP project and contains the following sections: Alternatives, Efficiency, Facility Design, General Conditions, Geology/Paleontology, Hazardous Materials, Introduction, Noise and Vibration, Public Health, Reliability, Socioeconomics, Transmission Line Safety and Nuisance, Transmission System Engineering, Waste Management and Worker Safety and Fire Protection. Part 2 will contain Air Quality, Biological Resources, Cultural Resources, Executive Summary, Land Use, Soil and Water, Traffic and Transportation, Transmission System Engineering and Visual Resources.

This notice is also to inform you that the Energy Commission staff will hold a workshop to discuss the PSA and further encourage public participation, as it relates to the proposed Palmdale project and the Energy Commission's permitting process. The workshop will provide an opportunity for agencies, the public and other interested parties to present questions and comments on the PSA. All interested agencies and members of the public are invited to participate. The workshop will be held on February 11 and 12, 2010 starting at 9:00 am at the California Energy Commission, 1516 9th Street, Sacramento, California. The California Energy Commission encourages public participation in the review of the Palmdale project, Application for Certification (08-AFC-9). The public comment period for

PROOF OF SERVICE (REVISED 10/1/09) FILED WITH
ORIGINAL MAILED FROM SACRAMENTO ON 2/1/10

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this PSA is from **December 23, 2009** to **March 8, 2010**. Written comments on the PSA should be provided to Felicia Miller, Siting Project Manager, no later than 5:00 p.m., **March 8, 2010** at the address on this letterhead or by email to fmiller@energy.state.ca.us. Technical or project schedule questions should be directed to Felicia Miller at (916) 654-4640 or by email.

Following the public comment period on the PSA, staff will prepare a Final Staff Assessment (FSA) which will serve as staff's formal testimony in evidentiary hearings to be held by the Energy Commission Committee assigned to hear this case. The Committee will hold evidentiary hearings and will consider the recommendations presented by staff, applicant, intervenors, government agencies, and the public prior to issuing its decision. In the last step, the full Energy Commission will vote on a final decision.

Summary of the Proposed Palmdale Hybrid Power Project

On August 4, 2008 the City of Palmdale filed an Application for Certification (08-AFC-9) with the California Energy Commission to construct and operate the Palmdale Hybrid Power Project: a hybrid of natural gas-fired combined generating equipment integrated with solar thermal generating equipment. The plant will have a net electrical output of 617 megawatts (MW), and would include two natural gas-fired combustion turbine-generators (CTGs) rated at 172 MW each, two heat recovery steam generators (HRSGs), one steam turbine-generator (STG) rated at 292 MW, and 250 acres of parabolic solar-thermal collectors with associated heat transfer equipment. The solar-thermal collectors would contribute up to 50 MW of the STG's 292 MW output, and with plant auxiliary loads of about 19 MW, PHPP's net output would be 617 MW.

Construction of the proposed PHPP would require permanent use of 333 acres at the power plant site, located immediately north and west of the combined facilities of Los Angeles/Palmdale Regional Airport and Air Force Plant 42. Air Force Plant 42 supports facilities for the production, engineering, final assembly and flight testing of high performance aircraft. The project site is located approximately 60 miles north of downtown Los Angeles and in the northernmost portion of the city of Palmdale. The site address is 950 East Avenue M, bounded on the west by vacant land and then Sierra Highway, on the north by East Avenue M, on the east by East 15th Street and on the south by Avenue M-12.

The proposed PHPP facility would feed power through a 230- kilovolt (kV) transmission system into Southern California Edison's (SCE's) existing Pearblossom Substation and ultimately interconnect to the power grid through SCE's existing Vincent Substation. Vincent substation is located approximately 11 miles south-southwest of the proposed PHPP site, but the interconnection would require a total 35.6 miles of 230-kV overhead transmission line to avoid affecting aviation operations of the Los Angeles/Palmdale Regional Airport and Air Force Plant 42.

Natural gas would be delivered to the project through a new 8.7-mile, 20-inch diameter pipeline designed and constructed by Southern California Gas (SCG), originating at the SCG facility on East Avenue S Street, and terminating at PHPP. The pipeline route

would generally follow northward near or adjacent to Sierra Highway through existing street ROWs within the city of Palmdale.

On an annual basis, the proposed PHPP would consume a maximum of about 3,150 acre-feet/year of water for power plant processes, primarily serving cooling demand for an evaporative (wet) cooling tower used for steam condensation and an evaporative cooler for each CTG's inlet air cooling. Process water needs would be met by the use of reclaimed water supplied by the Palmdale Water Reclamation Plant (PWRP). Reclaimed water would be conveyed in a new 7.4-mile, 14-inch pipeline extending from the PWRP located southeast of the proposed site, and then following a general path of westward along East Avenue P Street, northward along Sierra Highway, and then eastward along East Avenue M Street. Potable water would be supplied to the proposed project by Los Angeles County Waterworks District No. 40 via a new 1.0-mile pipeline extending to PHPP along East Avenue M Street from a connection at an existing pipeline near the intersection with Sierra Highway.

Air emissions from the combustion of natural gas in the CTGs and duct burners within the HRSGs would be controlled using best available control technology applied to their exhaust. Oxides of nitrogen (NO_x) from the CTG's stack emissions would be controlled by dry low-NO_x combustors followed by a selective catalytic reduction system in each of the HRSGs. An oxidation catalyst located within each HRSG would also control carbon monoxide (CO) and volatile organic compounds (VOC). In order to be considered for licensing by the Energy Commission, the project would be required to conform with rules and regulations of the Antelope Valley Air Quality Management District and be issued a Determination of Compliance from the Air District.

Energy Commission Licensing Authority

The Energy Commission is responsible for reviewing and ultimately approving or denying all applications for construction and operation of thermal electric power plants, 50 MW and greater, proposed for construction 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), and produces several environmental and decision documents rather than an Environmental Impact Report.

Summary of the California Energy Commission Staff's Preliminary Conclusions

Staff's preliminary analysis shows that, with the possible exception of Air Quality, Biological Resources, Cultural Resources, Land Use, Soil and Water, Traffic and Transportation, Transmission System Engineering and Visual Resources the PHPP project is in conformance with all Laws, Ordinances, Regulations, and Standards (LORS).

Staff's preliminary conclusions are also that significant adverse direct, indirect or cumulative impacts are likely to occur, although several issues are still outstanding. The

issues associated with the eight technical areas in which staff is continuing its analysis, are summarized as follows:

- Air Quality – The applicant will rely on Emissions Reduction Credits (ERCs) from the San Joaquin Valley Air Pollution Control District (SJVAPCD), but has not identified any specific ERCs, nor has the SJVAPCD confirmed in writing that the transfers could occur.
- Biological Resources – Development of the power block and linear facilities would result in direct and indirect impacts to native vegetation and wildlife caused by the permanent loss of over 416 acres of land. Additional details of the mitigation that will be required still need to be developed.
- Cultural Resources – Potential impacts to cultural resources may exist, but staff is unable to conclude its analysis without additional information.
- Land Use - Segment 1 of the transmission line requires a right-of-way study and appropriate zoning in order for staff to complete its' analysis.
- Soil and Water Resources – Staff has concluded that resolution of outstanding stormwater management issues, final soil berm details, construction-related wastewater issues and an executed agreement for tertiary treated water is required in order to complete its analysis.
- Transmission System Engineering – The transmission outlet and terminations require more definition and further study in order to determine feasibility.
- Traffic and Transportation – Staff has identified project induced impacts to the region's transportation system at several intersections. In addition, there are several unresolved issues associated with vertical velocity plumes and visible water vapor plumes and their potential impact on flight paths and patterns.
- Visual Resources– Staff has determined that additional KOPs would be necessary to determine if the project is in compliance with applicable LORs. Additional information and analysis is required in order to determine whether the visible plumes generated by the cooling towers will result in a visual impact.

Public Resources, Contact Information and Additional Sources for Information

If you desire information on how to participate in the Energy Commission's review of the proposed project, please contact Jennifer Jennings, the Energy Commission's Public Adviser at (916) 654-4489 or toll free in California at (800) 822-6228, or by email at: publicadviser@energy.state.ca.us.

To request special accommodations for those persons with disabilities, please contact Lourdes Quiroz, the Energy Commission's Equal Employment Opportunity Officer at lquiroz@energy.state.ca.us or by telephone (916) 654-5146. For those persons with limited English knowledge, request interpreter services by contacting the Project Manager, Felicia Miller at (916) 654-4640.

The status of the project, an electronic copy of the PSA, copies of notices, and other relevant documents are also available on the Energy Commission's web site at: <http://www.energy.ca.gov/sitingcases/palmdale>.

News media inquiries should be directed to Assistant Director, Susanne Garfield, at (916) 654-4989, or by email at: mediaoffice@energy.state.ca.us.

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The PSA will be available for review at the following Los Angeles, Kern, and San Bernardino County local libraries:

Palmdale City Library
700 East Palmdale Blvd.
Palmdale, CA 93550

Lancaster Public Library
601 W. Lancaster Blvd.
Lancaster, CA 93534

Sylmar Branch Library
14561 Polk Street
Sylmar, CA 91342

Victorville Branch Library
15011 Circle Drive
Victorville, CA 92395

California City Branch Library
9507 California City Blvd.
California City, CA 93505

San Bernardino County Library
104 West 4th Street
San Bernardino, CA 92415

Wanda Kirk (Rosamond) Branch Library
3611 Rosamond Blvd.
Rosamond, CA 93560

Barstow Branch Library
305 E. Buena Vista St.
Barstow, CA 92311

Beale Memorial Library
701 Truxtun Ave.
Bakersfield, CA 93301

Copies will also be available at the Energy Commission's Library in Sacramento, the California State Library in Sacramento, and at California public libraries in Eureka, Fresno, San Francisco, Los Angeles, and San Diego. In addition, copies will be distributed to those public agencies that would normally have jurisdiction except for the Energy Commission's exclusive authority to certify sites and related facilities.

If you would like a paper copy or CD of the PSA, please fill out the enclosed form and return it to California Energy Commission, Attention: Hilarie Anderson, Siting Project Assistant, at (916) 651-0479, or by e-mail at handerso@energy.state.ca.us.

Sincerely,

Date: _____

TERRENCE O'BRIEN, Deputy Director
Siting, Transmission and Environmental
Protection Division

Enclosure

Mailed to lists:
7285 - General
7286 - Property Owners

Please send me a paper copy / CD (circle one) of the California Energy Commission staff's Preliminary Staff Assessment for the Palmdale Hybrid Power Project, Application for Certification (08-AFC-9).

Name:

Address:

City/State/Zip:

FOLD HERE

California Energy Commission
Attention: Hilarie Anderson
1516 Ninth Street, MS-15
Sacramento, CA 95814-5512

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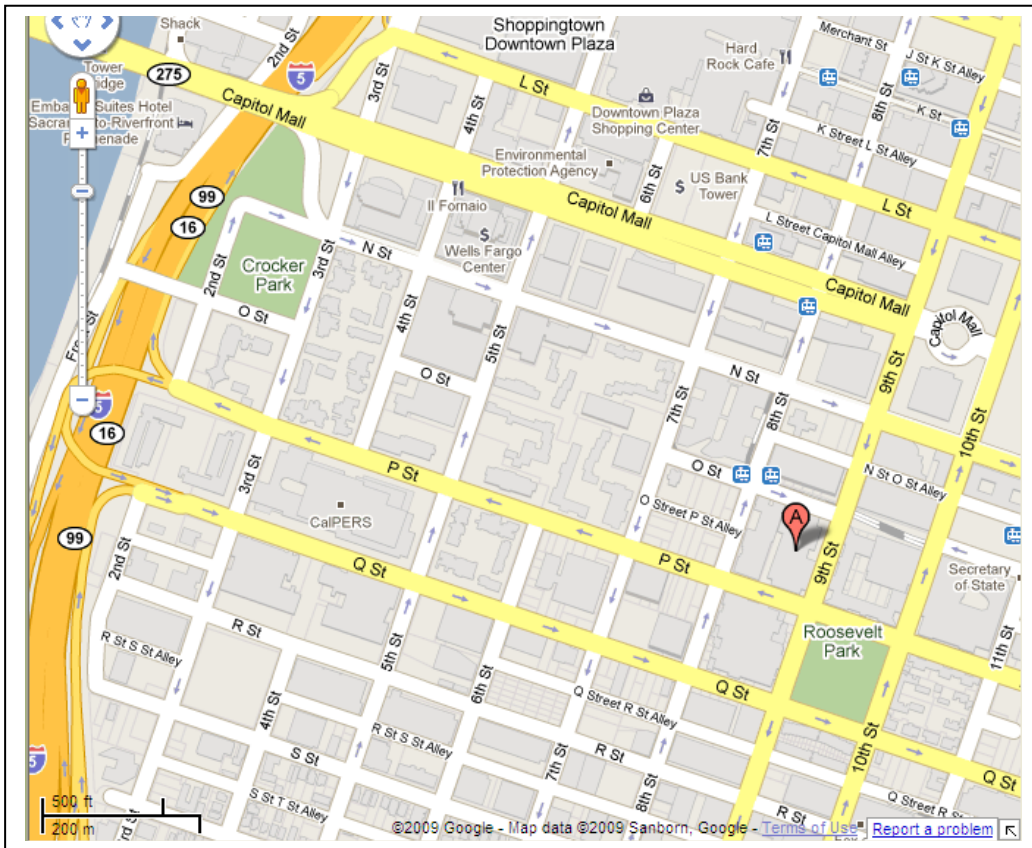
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**PSA WORKSHOP FOR PALMDALE HYBRID POWER PROJECT
08-AFC-9**

NOTICE OF PUBLIC WORKSHOP
Thursday, February 11, 2010
Friday, February 12, 2010
Starting at 9:00 am

California Energy Commission
1516 9th Street, Sacramento, CA
Thursday 2/11 – Conference Room B – 1st Floor
Friday 2/12 – 3rd Floor Conference Room

(Wheelchair Accessible)





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 *PALMDALE HYBRID*
POWER PROJECT

Docket No. 08-AFC-9

PROOF OF SERVICE

(Revised 10/01/2009)

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DECLARATION OF SERVICE

I, Hilarie Anderson, declare that on, February 1, 2010, I served and filed copies of the attached Workshop Notice. 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/palmdale/index.html>]. 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:

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

by personal delivery or by depositing in the United States mail at Sacramento, California 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:

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-9
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 Signature in Dockets

Hilarie Anderson