

CALIFORNIA ENERGY COMMISSION
1516 NINTH STREET
SACRAMENTO, CA 95814-5512

DOCKET

08-AFC-9

January 14, 2011



TO: AGENCY DISTRIBUTION LIST

DATE JAN 14 2011

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**REQUEST FOR AGENCY COMMENTS ON THE FINAL STAFF ASSESSMENT FOR
THE PROPOSED PALMDALE HYBRID POWER PROJECT (08-AFC-9)**

The Final Staff Assessment (FSA) which contains the California Energy Commission staff's engineering and environmental evaluation of the Palmdale Hybrid Power Project (PHPP) Application for Certification (08-AFC-9) was published on December 22, 2010.

Energy Commission Staff Documents and Hearings

The FSA on the PHPP was published on December 22, 2010 and includes staff's analysis, conclusions, and recommendations for the project. The FSA has been prepared based upon written comments provided by the applicant, agencies and the public and discussions at the Preliminary Staff Assessment workshops held on February 11, 2010 and March 16, 2010. The PHPP FSA contains the Energy Commission staff's final environmental and engineering evaluation of the project and will serve as staff's testimony during 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 testimonies presented by staff, applicant, interveners and comments from government agencies and the public prior to preparing the Presiding Member's Proposed Decision (PMPD), which will have a 30-day comment period. The revised PMPD will then be considered by the full Energy Commission which will issue the final decision.

Summary of the California Energy Commission Staff's Conclusions

With the exception of air quality, staff believes the project as currently proposed, including the applicant's and staff's proposed mitigation measures and with the Commission's adoption of staff's proposed conditions of certification, the PHPP would not cause significant adverse impacts and would comply with all applicable laws, ordinances, regulations, and standards (LORS). For a more detailed review of potential impacts and LORS conformance, see staff's technical analysis in the FSA.

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

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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 rights-of ways 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,

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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.

The status of the project, an electronic copy of the AFC, 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>.

Sincerely,

Date: _____

_____ *Original Signed by:*

ROGER E. JOHNSON, Siting Office Manager
Siting, Transmission and Environmental
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Enclosure

Mailed to list:
7287 - Agency



BEFORE THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT
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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 1/5/2011)

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DECLARATION OF SERVICE

I, Teraja` Golston, declare that on, January 14, 2011, I served and filed copies of the attached (08-AFC-9) Palmdale - Agency Letters Regarding Notice of Availability for Final Staff Assessment. 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;

by delivering on this date, for mailing with the United States Postal Service with first-class postage thereon fully prepaid, to the name and address of the person served, for mailing that same day in the ordinary course of business; that the envelope was sealed and placed for collection and mailing on that date 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, that I am employed in the county where this mailing occurred, and that I am over the age of 18 years and not a party to the proceeding.

Original Signed by: _____

Teraja` Golston