

CALIFORNIA ENERGY COMMISSION

1516 NINTH STREET
SACRAMENTO, CA 95814-5512

DOCKET	
08-SPPE-1	
DATE	APR 11 2008
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April 11, 2008

TO: AGENCY DISTRIBUTION LIST

REQUEST FOR AGENCY PARTICIPATION IN THE REVIEW OF THE RIVERSIDE ENERGY RESOURCE CENTER UNITS 3&4 PROJECT APPLICATION FOR A SMALL POWER PLANT EXEMPTION (08-SPPE-1)

On March 19, 2008, the City of Riverside filed an application for a Small Power Plant Exemption (SPPE). The City of Riverside is seeking an exemption from the California Energy Commission's licensing requirements. If an exemption is granted, the applicant would need to secure the appropriate licenses and permits for the project from various local, state and federal agencies.

Project Description

The City of Riverside, Riverside Public Utilities (RPU) proposes to build, own, and operate two simple cycle units at its Riverside Energy Resource Center (RERC) within the City of Riverside, California. The proposed gas-fired peaking project has a nominal generation capacity of approximately 95 megawatts (MW). The proposed project is an expansion of an existing 96 MW peaking facility exempted by the Energy Commission in 2004, which began operation in June 2006. The two new units, RERC Units 3&4, would be located adjacent to the first two units. RERC Units 3&4 would supply internal peaking needs of the City of Riverside primarily during summer peak electrical demands.

The proposed project site is owned by the City of Riverside and is located adjacent to and on the east side of the Riverside Regional Water Quality Control Plant (RRWQCP) in a light industrial/manufacturing area. RERC Units 3&4 would be located immediately north of Units 1&2 and would occupy approximately 2.2 acres of the 16 acre RERC site. The remaining rough graded, undeveloped portion of the RERC site would be used for construction laydown (approximately 5 disturbed acres in total).

RERC Units 3&4 would consist of two LM6000 PC SPRINT NxGen combustion turbine generators with Emission Control Modules (ECMs), the addition of two more bays to the existing RERC switchyard, the addition of two demineralized water storage tanks to the existing make-up water system, a new Dispatch and Scheduling Building for RPU, and a water laboratory. Fin-fan coolers would be used for lube oil cooling instead of relying on the cooling tower.

The primary source of raw water for the RERC Units 3&4 would be reclaimed water supplied by the City's RRWQCP. Potable water would not be used for plant process water needs during normal plant operations. RERC Units 3&4 would have the capability to use potable water as a backup for process needs in an emergency situation. In addition, the plant would recycle all process wastewater. The stormwater management system for RERC Units 3&4 would be integrated with the existing RERC stormwater management system which collects and routes stormwater to an on-site detention basin using a peripheral channel.

The proposed project would interconnect to the City of Riverside's 69 kV sub-transmission system at the existing RERC Switchyard. The switchyard would be expanded to add two more bays for connection of the two new generators. No new transmission facilities would be needed as part of the project.

If approved, project construction would require a peak of about 100 workers, with commencement anticipated in the fourth quarter of 2008, with commercial operation of the first of the two new units anticipated in the summer of 2009. Completion of the second unit would follow as soon as possible after the first unit is available for dispatch. The total project costs are estimated at \$110 million.

Energy Commission's Facility Exemption Process

The Energy Commission is responsible for reviewing, and ultimately approving or denying, all thermal electric power plants, 50 MW and greater, proposed for construction in California. The Energy Commission's SPPE process allows projects between 50 and 100 MW to proceed with local approval rather than requiring an Energy Commission license. An exemption from this licensing process is available if the Energy Commission finds that the project would not create a significant adverse impact on the environment or energy resources. The Energy Commission is the lead agency under the California Environmental Quality Act (CEQA) responsible for preparing an Initial Study. If warranted, the Commission will prepare a Mitigated Negative Declaration that examines public health and safety, and environmental impacts of the proposed project including all related facilities such as electric transmission lines, natural gas and water pipelines.

During the next few months, the Energy Commission will conduct a number of public workshops and hearings on the proposal to determine whether the exemption request should be approved and under what, if any, set of conditions. These workshops 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 10 days prior to each meeting.

Agency Participation

Your participation in the proceeding is encouraged and would consist of identifying and working to resolve issues of concern to your agency. If the Energy Commission approves an exemption for the Riverside Energy Resource Center Units 3&4 Project, it would likely issue a Mitigated Negative Declaration. The applicant would then be responsible for obtaining all necessary local, state and federal permits required to construct and operate the project.

Enclosed is a CD of the SPPE application in electronic format. If you would like a printed copy of the application, or have questions, or need additional information on how to participate in the Energy Commission's review of the proposed project, please contact Felicia Miller, Siting Project Manager, at (916) 654-4640, or by email to fmiller@energy.state.ca.us.

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Please forward any written comments regarding potential issues of concern to 1516 Ninth Street, MS 15, Sacramento, CA 95814-5512 by May 11, 2008.

The status of the proposed project, copies of notices, electronic version of the SPPE application, and other relevant documents are also available on the Energy Commission's Internet website at http://www.energy.ca.gov/sitingcases/riverside_expansion. 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 at <http://energy.ca.gov/listservers>.

Sincerely,



EILEEN ALLEN, Manager
Energy Facilities Siting & Compliance Office

Enclosure: Mailed to Riverside Energy Resource Center Units 3&4 Project mailing list.