

**CALIFORNIA ENERGY COMMISSION**

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

**DOCKET****09-AFC-1**

DATE APR 10 2009

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**TO: AGENCY DISTRIBUTION LIST**

**REQUEST FOR AGENCY PARTICIPATION IN THE REVIEW OF THE WATSON  
 COGENERATION STEAM AND ELECTRIC RELIABILITY PROJECT (09-AFC-1)**

On March 19, 2009, the California Energy Commission received an Application for Certification (AFC) from the Watson Cogeneration Company. The Watson Cogeneration Steam and Electric Reliability Project (project) is a proposed expansion of a steam and electrical generating (cogeneration) facility that is located in the City of Carson in Los Angeles County.

As part of our review process, the staff of the Energy Commission endeavors to work closely with local, state and federal agencies to ensure that all laws, ordinances, regulations and standards are met and incorporated into the final decision of the Energy Commission.

**Project Description**

The project complements the existing cogeneration facility located within the confines of the BP Carson Refinery. The existing facility has four General Electric (GE) 7EA combustion turbine generators (CTG), four heat recovery steam generators (HRSG) and two steam turbine generators (STG). In operation since 1988, the existing cogeneration facility is owned by Watson Cogeneration Company (Watson) and operated by BP West Coast Products, LLC – BP Carson Refinery. Watson is a joint partnership between subsidiaries of BP America and Edison Mission Energy. Since the project consists of adding a fifth CTG/HRSG to the existing configuration, it is also referred to as the “fifth train.”

This fifth train would increase the existing capacity of the 385-megawatt (MW) Watson Cogeneration Facility by approximately 85 MW to a total output of 470 MW.

The project site is located within the boundary of the existing Watson Cogeneration Facility, which is a 21.7-acre area and is part of a larger parcel containing the BP Carson Refinery. The project site is located in the City of Carson, approximately 0.7 mile south of the 405 Freeway, roughly bounded by East 223rd Street to the north, Wilmington Avenue to the west, East Sepulveda Boulevard to the south, and South Alameda Street to the east. The Construction Laydown and Parking Area is a paved 25-acre parcel located approximately 1 mile southeast of the Project Site, and is located at 2149 East Sepulveda Boulevard. No off-site improvements such as water supply, natural gas or wastewater pipelines are proposed. Instead, the project would connect to the existing supply pipelines currently used by the Watson Cogeneration Facility. Similarly, the project would obtain its other utility needs and services (compressed air and anhydrous ammonia) from the existing systems. Upgrades to existing transmission lines to accommodate the project would not be required.

If approved, project construction would begin in May 2010, with commercial operation commencing in June 2012.

### **Energy Commission's Facility Certification Process**

The Energy Commission is responsible for reviewing and ultimately approving or denying all applications to construct and operate thermal electric power plants, 50 MW and greater, 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 issuance of a certificate by the Energy Commission is in lieu of any local, state or federal permit (to the extent permitted by federal law). The Energy Commission is the Lead Agency under the California Environmental Quality Act (CEQA), and because the siting process is a Certified Regulatory program, it produces several environmental and decision documents rather than an Environmental Impact Report.

The first step in the review process is for Energy Commission staff to determine whether or not the AFC contains all the information required by our regulations. When the AFC is deemed data adequate, we will begin the data discovery and issue analysis phases. At that time, a detailed examination of the issues will occur.

Over the coming months, the Energy Commission will conduct a number of public workshops and hearings on the proposal to determine whether the proposed project should be approved for construction and operation and under what set of conditions. These workshops will 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 at least ten days prior to the meeting.

### **Agency Participation**

To ensure that the Energy Commission has the information needed in order to make a decision, the Energy Commission's regulations identify a special role for federal, state, and local agencies (See, Cal. Code Regs., tit. 20, section 1714, 1714.3, 1714.5, 1742, 1743, and 1744). As a result, we request that you conduct a review of the AFC and provide us with the following information:

- 1) a discussion of those aspects of the proposed site and related facilities for which your agency would have jurisdiction but for the exclusive jurisdiction of the Energy Commission to certify sites and related facilities;
- 2) a determination of the completeness of the list in the AFC of the laws, regulations, ordinances, or standards which your agency administers or enforces and would be applicable to the proposed site and related facilities but for the Energy Commission's exclusive jurisdiction;
- 3) a description of the nature and scope of the requirements which the applicant would need to meet in order to satisfy the substantive requirements of your agency

but for the Energy Commission's exclusive jurisdiction, and identification of any analyses that the Energy Commission should perform in order to determine whether these substantive requirements can be met; and

- 4) an analysis of whether there is a reasonable likelihood that the proposal will be able to comply with your agency's applicable substantive requirements.

The scope of your agency's comments on the AFC should encompass *significant* concerns, and substantive requirements that would be required for permitting in your jurisdiction but for the Energy Commission's exclusive jurisdiction or certification. (Cal. Code Regs., tit. 20, section 1714.5, subd. (a)(2); emphasis added.) Please let us know if you need additional information or need to perform analyses or studies in order to resolve any concerns of your agency. (Cal. Code Regs., tit. 20, section 1714.5.)

Assuming that the proposed project is found to be data adequate on April 22, 2009, we request that all agency comments be provided to us by **August 19, 2009**, except for the South Coast Air Quality Management District's Preliminary and Final Determinations of Compliance, which should be provided **August 19**, and **October 16, 2009** respectively. You may be asked to present and explain your conclusions at public and evidentiary hearings on the project. (See Cal. Code Regs., tit. 20, sections 1714.3, 1714.5, 1743, 1744.5, and 1748). Local agencies may seek reimbursement for reasonable costs incurred in responding to these requests. (Cal. Code Regs., tit. 20, section 1715).<sup>1</sup>

Enclosed is a copy of the AFC in electronic format (CD). If you would like to have a hard copy of the AFC sent to you, if you have questions, or if you would like to participate in the Energy Commission's review of the proposed project, please contact Alan Solomon, Project Manager, at (916) 653-8236, or by email at [asolomon@energy.state.ca.us](mailto:asolomon@energy.state.ca.us). The status of the proposed project, copies of notices, a copy of the AFC, and other relevant documents are also available on the Energy Commission's Internet web site at <http://www.energy.ca.gov/sitingcases/watson/index.html>. You can also receive email notification of all project related activities and availability of reports by subscribing to the Listserve at <http://www.energy.ca.gov/listservers/index.html>.

Sincerely,

Eric Knight, Manager  
Energy Facilities Siting and Docket Office

Enclosure.

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<sup>1</sup> Please note that pursuant to 20 CCR 1715 reimbursement is not available to state and federal agencies.