

Memorandum

DOCKET	
09-AFC-2	
DATE	<u>JUL 15 2009</u>
RECD	<u>JUL 15 2009</u>

Date: July 15, 2009
Telephone: (916) 654-4640

To: Commissioner Julia Levin, Presiding Member
Commissioner James D. Boyd, Associate Member

From: California Energy Commission - Felicia Miller
1516 Ninth Street Siting Project Manager
Sacramento, CA 95814-5512

Subject: **ALMOND 2 POWER PLANT PROJECT (09-AFC-2)**
ISSUES IDENTIFICATION REPORT

Attached is staff's Issues Identification Report for the Almond 2 Power Plant Project. This report serves as a preliminary scoping document that identifies issues that Energy Commission staff believes will require careful attention and consideration. Energy Commission staff will present the issues report at the Informational Hearing and Site Visit to be held on July 30, 2009.

This report also provides a proposed schedule pursuant to the 12-month Application for Certification (AFC) process, with a footnote discussion of staff's current workload.

Attachment

cc: Proof of Service List
Docket 09-AFC-2

Almond 2 Power Plant Project

09-AFC-2

ISSUES IDENTIFICATION REPORT

CALIFORNIA ENERGY COMMISSION

Siting, Transmission and Environmental Protection Division

ISSUES IDENTIFICATION REPORT

Almond 2 Power Plant Project

(09-AFC-2)

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ISSUES IDENTIFICATION REPORT

Energy Commission Staff Report

PURPOSE OF THE REPORT

This report has been prepared by the California Energy Commission staff to inform the Committee and all interested parties of potential issues that have been identified in the case thus far. The Issues Identification Report contains a project description, summary of potentially significant engineering and environmental issues, and a discussion of the proposed project schedule. The staff will address the status of these issues and progress towards their resolution in periodic status reports to the Committee.

PROJECT DESCRIPTION

The Turlock Irrigation District (TID) has proposed to construct and operate the Almond 2 Power Plant (A2PP) which would be located on a 4.6-acre parcel adjacent to the existing 48 megawatt (MW) TID Almond Power Plant (A1PP). The site, which is located within an industrial area, is two miles from the Ceres city center and five miles from Modesto. A2PP would be a natural-gas fired, simple-cycle peaking facility rated at a gross generating capacity of 174 megawatts (MW). Primary equipment for the generating facility would include three 58-MW General Electric LM6000PG turbines equipped with a water injection system to the turbine in order to reduce nitrogen oxide (NO_x) formation, and a selective catalytic reduction system to further control NO_x emissions.

Power would be transmitted to the grid at 115 kilovolts (kV) through two new transmission lines which would connect to the proposed Grayson Substation which would be located approximately 3,300 feet from A2PP. The substation is expected to be complete before the A2PP project is operational and is not part of the A2PP project. Existing facilities at the adjacent A1PP would be shared with the A2PP facility without modification. They include the fire protection system, water treatment system, process water supply and wastewater discharge system, and demineralized and reverse osmosis water storage tanks. A2PP would receive process water from the Ceres Wastewater Treatment Plant through an existing pipeline at A1PP, as well as service water for domestic use provided by an existing onsite water well. Expansion of the existing natural gas service would be required for the proposed project. PG&E plans to construct an 8-inch natural gas pipeline, approximately nine to eleven miles in length, to the A2PP site.

If approved, construction of the project would begin in the 2010 and would last for approximately 12 months. Pre-operational testing of the facility would begin in the third quarter of 2011 with full-scale commercial operation commencing fourth quarter of 2012.

POTENTIAL MAJOR ISSUES

This Issues Identification Report contains a discussion of the potential issues the Energy Commission staff has identified. The Committee should be aware that this report may not include all the significant issues that may arise during the case, as discovery is not yet complete, and other parties have not had an opportunity to identify their concerns. The identification of the potential issues contained in this report is based on comments of other government agencies and on staff's judgement of whether any of the following circumstances may occur:

1. Potential significant impacts which may be difficult to mitigate;
2. Potential areas of noncompliance with applicable laws, ordinances, regulation or standards (LORS);
3. Areas of conflict or potential conflict between the parties; or
4. Areas where resolution may be difficult or may affect the schedule.

The following table lists all the subject areas evaluated and notes that only Transmission System Engineering has currently identified potentially significant issues. Even though an area is identified as having no potential issues it does not mean that an issue will not arise related to the subject area.

Major Issue	Subject Area
No	Air Quality
No	Alternatives
No	Biological Resources
No	Cultural Resources
No	Facility Design
No	Geology / Paleontology Resources
No	Hazardous Materials Management
No	Land Use
No	Noise and Vibration
No	Public Health
No	Reliability / Efficiency
No	Socioeconomics
No	Soil & Water Resources
No	Traffic & Transportation
No	Transmission Line Safety & Nuisance
Yes	Transmission System Engineering
No	Visual Resources / Plume
No	Waste Management
No	Worker Safety & Fire Protection

TRANSMISSION SYSTEM ENGINEERING

To aid staff in their analysis of transmission system impacts, the Application for Certification must specifically include a System Impact Study (SIS) or evidence of one in progress. (Cal. Code of Regs., tit. 20, Ch. 5, art. 6, App. B, (b)(2)(E).)

The SIS analyzes the effect of the proposed project on the ability of the transmission network to meet reliability standards. When the SIS determines that the project would cause a violation of reliability standards, the potential mitigation or upgrades required to bring the system into compliance are identified. The mitigation measures often include the construction of downstream transmission facilities. Under the California Environmental Quality Act staff must conduct an analysis of any downstream facilities for potential indirect impacts caused by the proposed project. Without a completed SIS, staff is not able to identify the direct and indirect effects of the proposed project.

The SIS and the Facilities Study (FS) are not available for staff to review at this time. If either study shows the Almond 2 Power Plant project would cause transmission line overloads which might require transmission line reconductoring or other significant downstream upgrades, staff must analyze the reconductoring or other upgrades as indirect impacts. The applicant has indicated that the SIS will be completed by mid-September.

PROJECT SCHEDULE

STAFF'S PROPOSED SCHEDULE – Almond 2 Power Plant

ACTIVITY	DATE
Applicant files Application for Certification (AFC)	5/11/09
Commission's determination that AFC is complete	7/1/09
Staff files Issue Identification Report	7/23/09
Staff files data requests	7/29/09
Informational Hearing and Site Visit	7/30/09
Applicant provides data responses	9/1/09
Data response and issue resolution workshop	9/17/09
Staff files data request set 2 (if necessary)	9/30/09
Local, state and federal agency draft determinations	10/29/09
Applicant provides data responses set 2	10/29/09
Staff files Preliminary Staff Assessment (PSA)	11/25/09
PSA workshop	12/16/09
Local, state and federal agency final determinations	12/30/09
Staff files Final Staff Assessment (FSA)	2/14/10
FSA workshop	3/3/10
Prehearing Conference*	TBD
Evidentiary hearings*	TBD
Presiding Members Proposed Decision (PMPD)*	TBD
Committee Hearing on PMPD*	TBD
Close of public comment period on PMPD	TBD
Addendum/Revised PMPD	TBD
Energy Commission Decision*	TBD

* The assigned Committee will determine this part of the schedule.

Note: The proposed Almond 2 project, qualifies for the 12-month licensing process under Public Resources Code § 25540.6. The applicant and the Commission may mutually agree to extend the schedule as needed. Staff anticipates possible delays due to the heavy workload in the Siting, Transmission and Environmental Protection Division, and also due to the Governor's Executive Order S-13-09, mandating three furlough days a month for the Commission and most other state agencies through June 2010.



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 TID ALMOND 2
POWER PLANT PROJECT**

Docket No. 09-AFC-2

**PROOF OF SERVICE
(Established 7/1/09)**

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DECLARATION OF SERVICE

I, Hilarie Anderson, declare that on July 15, 2009, I served and filed copies of the attached Issues Identification Report, dated July 15, 2009. 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:

[\[http://www.energy.ca.gov/sitingcases/almond/index.html\]](http://www.energy.ca.gov/sitingcases/almond/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 _____, 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. 09-AFC-2
1516 Ninth Street, MS-4
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docket@energy.state.ca.us

I declare under penalty of perjury that the foregoing is true and correct.

Original Signature in Dockets
Hilarie Anderson