

CALIFORNIA ENERGY COMMISSION

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SACRAMENTO, CA 95814-5512
www.energy.ca.gov

DOCKET**09-AFC-2**DATE May 27 2009RECD. May 29 2009**TO: AGENCY DISTRIBUTION LIST****REQUEST FOR AGENCY PARTICIPATION IN THE REVIEW OF THE ALMOND 2 POWER PLANT PROJECT (09-AFC-2)**

On May 11, 2009, Turlock Irrigation District (TID) submitted an Application for Certification (AFC) to construct and operate the Almond 2 Power Plant (A2PP), adjacent to the existing Almond 1 Power Plant (A1PP), in the city of Ceres, in Stanislaus 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 will occupy a 4.6-acre site, previously used as a borrow pit, within an industrial area approximately 2 miles from the Ceres city center and 5 miles south of Modesto, in Stanislaus County. A2PP will 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 (NOx) formation, and a selective catalytic reduction system to further control NOx emissions. Power will be transmitted to the grid at 115 kilovolts (kV) through two proposed new transmission lines which will connect to the proposed TID Grayson Substation, to 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 will 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 will 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 will construct an 8-inch natural gas pipeline to their supply line nine to eleven miles from the A2PP site.

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 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 equivalent to an Environmental Impact Report. 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 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 proposed project 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 by your Agency 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.)

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Assuming that the proposed project is found to be data adequate on June 17, 2009, we request that all agency comments be provided to us by **October 15, 2009**, except for the San Joaquin Valley Air Quality Control District's Preliminary and Final Determinations of Compliance, which should be provided **October 15**, and **December 14, 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).¹

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 Felicia Miller, Energy Commission Project Manager, at (916) 654-4640, or by email at fmiller@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/almond>. 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,

Eileen Allen, Manager
Energy Facilities Siting and Compliance Office

Enclosure

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