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January 23, 2007

VIA EMAIL AND REGULAR MAIL

Mr. Christopher Meyer Compliance Project Manager California Energy Commission 1516 9th Street, MS-200 Sacramento, CA 95814

Re: Bottle Rock Geothermal Power Plant (79-AFC-4C) Monthly Construction Progress Report - December 2006

Dear Mr. Meyer:

Pursuant to Condition of Certification 10-3, please find enclosed herein Bottle Rock Power, LLC's Monthly Construction Progress Report for December 2006. Should you require additional information or have any questions, please do not hesitate to contact John McKinsey or me at (916) 447-0700.

Warmest regards,

Kimberly J. Hellwig Paralega

KJH:kjh Enclosure

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Monthly Construction Progress Report December 2006

Bottle Rock Geothermal Power Plant (79-AFC-4C)

INTRODUCTION

On December 13, 2006, the California Energy Commission ("CEC") approved Bottle Rock Power, LLC's ("Bottle Rock Power") Petition to Amend Final Decision, which allows the restart of Bottle Rock Power Plant ("BRPP"), as specified in Order No. 06-1216-12. Bottle Rock Power has commenced construction to refurbish BRPP and is doing so in accordance with the Conditions of Certification as set forth in the CEC Staff Analysis dated November 13, 2006.¹

Structural Engineering Condition of Certification ("COC") 10-3 provides that:

"The project owner shall keep CEC CPM informed regarding the status of construction."

The verification of COC 10-3 requires the project owner to submit monthly construction progress reports to the CEC Compliance Project Manager until the start of commercial operation. Accordingly, in compliance with COC 10-3, Bottle Rock Power submits this Monthly Construction Report for December 2006, which provides information on the major activities related to construction at BRPP performed as of December 31, 2006. Such activities include design changes, engineering work, major equipment procurement, refurbishment, and installation of equipment.

COMPLETED CONSTRUCTION RELATED ACTIVITIES

Design

As of December 31, 2006, the following design work has been completed at BRPP:

• The cooling tower secondary abatement re-route sparger system was designed at the request of Lake County Air Quality Management District.

Engineering

As of December 31, 2006, the following engineering work has been completed on BRPP's major systems and sub-systems:

- Calculations for all flow elements;
- Electrical design of vacuum pump VFD drives and support equipment;

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¹ The Conditions of Certification set forth in the November 2006 CEC Staff Analysis were subsequently adopted via CEC Order No. 06-1213-012.

- All vacuum pump mechanical and civil design;
- Details and drawing for the Stretford oxidation spargers; and,
- Details and drawing for the Stretford Mercury Removal system.

In addition, all engineering was completed for the:

- Control system hardware and logic;
- Steam turbine repairs;
- Stretford repairs;
- Stretford oxidizers;
- Stretford mercury removal;
- Sulphur processing;
- Steam stacking system repair and modifications;
- Electricity metering system; and,
- Electrical system protection.

Major Equipment Procurement

As of December 31, 2006, the following major equipment has been purchased for BRPP:

- Control system hardware;
- Model XL-350 vacuum pumps;
- Re-bladed steam turbine stationary diaphragms; and,
- Re-bladed turbine rotor.

Repairs and Installation

As of December 31, 2006, the following repair and installation activities have been completed at BRPP:

- As part of the steamfield refurbishment; existing steam wells were opened; and,
- Inspection and initial repairs were completed on the generator.

In addition, the following activities have taken place:

- A concrete pad for the vacuum pumps was poured;
- The steam transmission line insulation was repaired;
- Stretford equipment was repaired, except sulphur processing system;
- Steam-air ejectors were repaired;
- All major valves were refurbished and re-installed;
- All existing motors were tested and overhauled/replaced as required;
- All existing pumps were inspected and overhauled, as required;
- Instrument air systems were installed;
- Four "point to point" data communication lines for Pacific Gas & Electric ("PG&E") and the California Independent System Operator ("Cal-ISO") were installed and underwent conditioning and testing;

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- Electrical protection relays were installed;
- Communications testing for the interconnection SCADA system was completed;
- Functional testing of the "Direct Trip Transfer" circuit, required by PG&E for connection to the point of delivery to Cal-ISO, was completed;
- Relay function tests required by PG&E for interconnection were completed and data submitted;
- The secondary abatement sparger header that will discharge into the cooling tower basin was installed;
- Control system hardware was installed;
- Control system logic was installed;
- The steam turbine rotor was repaired;
- The circulating water system and condenser were refurbished;
- The cooling tower was repaired;
- The steam stacking system was modified and repaired;
- Electricity metering system was completed; and,
- The electrical system protection was completed.

PLANNED CONSTRUCTION RELATED ACTIVITIES

Bottle Rock Power plans to complete the following construction related activities within the next month:

- Complete sulphur processing details related to the Bird vacuum filter dehydrator;
- Complete installation of the sulphur processing equipment;
- Installation of Calgon vessels containing activated carbon for removing mercury from Stretford non-condensable gas steam;
- Perform oil flush of the turbine and generator;
- Charge the Stretford abatement system with chemicals and test chemicals for sufficiency of concentrations;
- Perform a functional test of the steam jet/air ejectors;
- Test interconnection communications and relays;
- Test the steam lines and flow steam to the Plant;
- Complete testing of utility interconnection;
- Install and test the turbine rotor.
- After final installation, test steam ejectors;
- Install and test the vacuum pumps and pull vacuum in the condenser;
- Roll the turbine with steam and test at various rotation speeds;
- Test and tune the Stretford H₂S abatement system for start-up; and,
- Re-start BRPP and synchronize with the electricity grid.

From: To: Date: Subject: "Hecox, Elizabeth" <eyhecox@stoel.com> "Docket Optical System" <docket@energy.state.ca.us> 1/23/2007 4:14:08 PM RE: Bottle Rock Geothermal Power Plant 79-AFC-4C

-----Original Message-----From: Docket Optical System [mailto:docket@energy.state.ca.us] Sent: Tuesday, January 23, 2007 4:05 PM To: Hecox, Elizabeth Subject: Re: Bottle Rock Geothermal Power Plant 79-AFC-4C Importance: High

** High Priority **

Dear , We did not receive an attachment with this email. Please try again. Thank you, CEC Dockets Unit

Dockets Staff Siting / Dockets Unit 916-654-5076