

CALIFORNIA ENERGY COMMISSION

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

DOCKET**10-AFC-01**

DATE JUL 19 2010

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July 19, 2010

Dear Librarian:

DOCUMENT HANDLING FOR THE PIO PICO ENERGY CENTER, APPLICATION FOR CERTIFICATION (10-AFC-1)

On June 30, 2010, Pio Pico Energy Center LLC submitted an Application for Certification (AFC) to the California Energy Commission seeking permission to construct and operate a nominal 300-megawatt (MW) natural gas-fired simple-cycle generating facility, the Pio Pico Energy Center (PPEC). The project is proposed to be located in the city of Chula Vista which is located in southwestern San Diego County.

The PPEC is under the Energy Commission's siting authority. The Commission's power plant certification process examines engineering, environmental, public health, and safety aspects of power plant proposals and provides analyses pursuant to the California Environmental Quality Act (CEQA). When issuing a license, the Energy Commission is the lead state agency under CEQA and through its certified regulatory program produces several environmental and decision documents rather than an Environmental Impact Report.

The Energy Commission's siting process is open to the public and incorporates the input of the public as well as local, state, and federal agencies. To facilitate public participation in our review process, the Energy Commission has sent copies of the AFC to libraries in Fresno, Eureka, Sacramento, San Francisco, Los Angeles, and San Diego.

Please make the enclosed AFC available for those who may wish to be informed about the project. We request that you not allow the AFC or any of its contents to be removed from the library. To increase accessibility of the document, we ask, if possible, that you cross reference it as a general reference work under the title and author categories, as well as under such subjects as "Energy Commission," "electricity," "energy/generation," "power plant siting," or any other relevant subject.

Thank you for your cooperation. If you have any questions, please contact the Energy Commission's Project Manager, Eric Solorio, at (916) 651-0966, or by e-mail at esolorio@energy.state.ca.us.

Sincerely,

Roger Johnson, Manager
Energy Facilities Siting

Enclosures (2): Pio Pico Energy Center, Application for Certification (10-AFC-1) and Request for Public Participation

CALIFORNIA ENERGY COMMISSION1516 NINTH STREET
SACRAMENTO, CA 95814-5112

July 19, 2010

To: MEMBERS OF THE PUBLIC

REQUEST FOR PUBLIC PARTICIPATION IN THE REVIEW OF THE PIO PICO ENERGY CENTER, APPLICATION FOR CERTIFICATION (10-AFC-1)

On June 30, 2010, Pio Pico Energy Center LLC submitted an Application for Certification (AFC) to the California Energy Commission seeking permission to construct and operate a nominal 300-megawatt (MW) natural gas-fired simple-cycle generating facility, the Pio Pico Energy Center (PPEC). The project is proposed to be located in the city of Chula Vista which is located in southwestern San Diego County.

PROJECT DESCRIPTION*Project Location*

The project would be located in the city of Chula Vista on approximately 13 acres of undisturbed land at the end of Wueste Road, approximately one-quarter mile southwest of Otay Lakes County Park. The site is located just inside the eastern boundary of the city of Chula Vista's Multiple Species Conservation Plan Preserve (Preserve). The Preserve is a 9,100-acre conservation area which was established by the Otay Ranch Phase 1 Resource Management Plan. The applicant has proposed dedicating mitigation lands to offset the impact of removing the 13 acre site from the Preserve.

Power Plant Technology

The generating facility would include three General Electric (GE) LMS100 natural gas-fired combustion turbine generators (CTGs), each equipped with water injection to the combustors for reducing production of oxides of nitrogen (NOx), a selective catalytic reduction (SCR) system with 19 percent aqueous ammonia (NH₃) injection to further reduce NOx emissions, and an oxidation catalyst to reduce carbon monoxide (CO). Thermal energy is produced in the CTGs through the combustion of natural gas, which is converted into mechanical energy to drive the combustion turbine compressors and electric generators. The total net generating capacity would be approximately 300 MW.

Prominent Visual Features

Following are some of the more important and/or larger project features related to the visual impact assessment:

- Three (3) 100-foot tall combustion turbine generator (CTG) stacks.
- Three (3) variable bleed vents with silencers proposed at 53 feet tall.
- A proposed 35-foot tall hot selective catalytic reduction (SCR).
- One (1) partial dry-cooling system at 23-feet tall, 40 feet wide and approximately 400 feet long.
- A proposed 37-foot tall raw water storage tank and a 30-foot demineralized water storage tank.

- Proposed 80-foot tall transmission poles extending from the western boundary of the PPEC site will allow for project interconnection to the existing 120-foot 230kV transmission line corridor just west of the PPEC site.
- The entire project site would be enclosed by a 30-foot tall to 40-foot tall sound wall (varies depending on location around the project site perimeter).

Hydrology

Groundwater elevations at the project site would be expected to be hydraulically influenced by Lower Otay Reservoir because of the PPEC site's proximity to the reservoir and the reservoir water surface elevation relative to the site elevation. The dam is approximately 2,000 feet northeast of the site. The spillway elevation is 491 feet, and the elevation of the lowest outlet is 395 feet. In comparison, the site's elevation is 370 feet above msl.

Water Resources

In addition to supplying potable water throughout its service area, Otay Water District (OWD), maintains and operates a recycled water system. OWD distributes recycled wastewater that meets California Title 22 requirements for reuse. OWD will provide PPEC with recycled water for process water and a back-up firewater supply, as well as potable water for potable uses, only. OWD has provided a "will-serve" letter to PPEC.

Aquatic Resources

The project's proposed ground disturbance footprint is insulated from the Otay River by roughly 100 feet of topographic relief. Additionally, the lands abutting the project's ground disturbance footprint include the Otay Water Treatment Plant and its appurtenances which further buffer the project's construction and operational activities. The project would avoid directly impacting the Otay River.

However, there are many other small ephemeral washes, swales, and drainages that serve as tributaries to the Otay River and complete avoidance within the project disturbance area will not be possible. Therefore, a delineation of these resources will be required.

Electrical Transmission System

The PPEC facility's 230kV switchyard will consist of a 230kV radial feed type configuration, 230kV circuit breakers and disconnect switches, and structural bus supports. Electricity generated by PPEC would be delivered from the new switchyard to the existing 230kV transmission lines through a newly constructed San Diego Gas & Electric (SDG&E) PPEC electrical substation. The new substation would be located on approximately 1.45 acres within the project site.

On-site and Off-site Linear Infrastructure

The project has several linear components that extend beyond the site boundaries, specifically:

- Two 230-kilovolt (kV) transmission generation tie-lines, extending approximately

- 1,000 feet, southwest, from the project site;
- A natural gas pipeline will extend 3,500 feet from the site;
- A recycled water supply line from Otay Water District traverses the site;
- A sewer discharge pipeline will extend 3,500 feet from the site; and
- The site is serviced by an existing access road that would be improved for the project.

Construction Schedule

The start of construction is planned for June 2012 with testing planned for August 2013 and commercial operation planned to begin in September 2013. The PPEC is currently negotiating a 20-year power purchase agreement (PPA) with SDG&E.

ENERGY COMMISSION'S SITE 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 has a certified regulatory program and is the lead agency under the California Environmental Quality Act (CEQA).

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 complete, we will begin data discovery and issue analysis phases. At that time, a detailed examination of the issues will occur.

PUBLIC PARTICIPATION

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 10 days prior to the meeting.

Please direct your technical or project schedule questions to Eric Solorio, Project Manager, at (916) 651-0966, or by email at esolorio@energy.state.ca.us. For more information on how to participate in the Energy Commission's review of the project, please contact the Energy Commission's Public Adviser's Office, at (916) 654-4489, or toll free in California at (800) 822-6228. The Public Adviser's Office can also be contacted via email at pao@energy.state.ca.us. News media inquiries should be directed to the media office at (916) 654-4989 or via email at mediaoffice@energy.state.ca.us. The status of the proposed project, copies of notices, an electronic version 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/piopico/index.html>. You can also subscribe to receive e-mail notification of all notices at <http://www.energy.ca.gov/listservers>.

This notice of receipt has been mailed to all parties that requested placement on the mailing list during the pre-filing period and to property owners located within 1000 feet of the proposed project site and 500 feet of a project linear feature (e.g. pipeline). By being on the mailing list, you will receive notices of all project-related activities and notices when documents related to the proposed project's evaluation are available for review. If you want your name removed from the mailing list, please contact Teraja Golston, Project Assistant, at (916) 651-8839, or by e-mail at tgolston@energy.state.ca.us.

AVAILABILITY OF THE APPLICATION FOR CERTIFICATION (10-AFC-1)

Copies of the AFC are available for public review at the following public libraries:

Civic Center Branch 365 F Street Chula Vista, CA 91910	South Chula Vista Branch 389 Orange Avenue Chula Vista, CA 91911	East Lake Branch 1120 EastLake Parkway Chula Vista, CA 91915	Central Library 820 E Street San Diego, CA 92101
Otay Mesa-Nestor Branch 3003 Coronado Avenue San Diego, CA 92154	Bonita-Sunnyside Branch 4375 Bonita Road Bonita, CA 91902	Imperial Beach Branch 810 Imperial Beach Boulevard Imperial Beach, CA 91932	Lincoln Acres Branch 2725 Granger Avenue National City, CA 91950

Copies are also available at the Energy Commission's Library in Sacramento, the California State Library in Sacramento, and at public libraries in Eureka, San Francisco, Los Angeles, and San Diego. In addition, this information has been shared with those public agencies that would normally have jurisdiction except for the Energy Commission's exclusive authority to certify sites and related facilities.

Note: Please retain this letter behind the front cover of the AFC. Thank You.