

DOCKETED

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Project Title:	Huntington Beach Energy Project - Compliance
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Document Title:	Hunington Beach Energy Project (12-AFC-02C)
Description:	Request for Agency Participation in the Review of the Petition to amend the Huntington Beach Energy Project (12-AFC-02c)
Filer:	Cathy Hickman
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CALIFORNIA ENERGY COMMISSION

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

**TO: AGENCY DISTRIBUTION LIST****REQUEST FOR AGENCY PARTICIPATION IN THE REVIEW OF THE PETITION TO AMEND THE HUNTINGTON BEACH ENERGY PROJECT (12-AFC-02C)**

On June 27, 2012, AES Southland, LLC submitted an Application for Certification (AFC) for the Huntington Beach Energy Project (HBEP). On October 29, 2014, the Energy Commission approved the AFC for HBEP with a Final Decision. On September 14, 2015, AES Southland, LLC submitted a petition to amend (PTA) the Final Decision for HBEP (12-AFC-02) to the Energy Commission to modify the Final Decision.

HBEP, as amended, (12-AFC-02C) would replace, and be constructed on, 28.6 acres entirely within the footprint of the existing and operating AES Huntington Beach Generating Station (HBGS) located in an industrial area of Huntington Beach, California at 21730 Newland Street, just north of the intersection of the Pacific Coast Highway (PCH-Highway 1) and Newland Street. The redesigned project would total 844 megawatts (MW) and be constructed in two phases. Phase 1 would be a natural gas-fired, combined-cycle, air-cooled, 644-MW electrical generating facility. Phase 2 would be two 100-MW simple-cycle gas turbines. No new offsite linear facilities are proposed as part of this project. The approved project (12-AFC-02) was licensed as a 939-megawatt (MW) power plant consisting of two independently operating, three-on-one, combined-cycle gas turbine power blocks. Each power block would have consisted of three Mitsubishi natural gas-fired combustion turbine generators, three supplemental-fired heat recovery steam generators, one steam turbine generator, an air-cooled condenser, and related ancillary equipment.

The proposed amendment to the HBEP Final Decision from the Energy Commission is the result of the selection by Southern California Edison (SCE) of the revised AES project in the 2013 Local Capacity Requirements Request for offers (LCR RFO) to provide 644 MW of nominal capacity, with different technology than that permitted in the HBEP Final Decision.

AES Southland, LLC submitted a Petition to Amend (PTA) the approved project with the following equipment:

- One combined-cycle, gas turbine (CCGT), 644-MW power block consisting of two General Electric (GE) Frame 7FA.05s;
- Two unfired heat-recovery steam generators equipped with two emission control systems to control CO, NOx and VOC emissions;
- One steam turbine generator;
- One air-cooled condenser (ACC) and one closed-loop air-cooled heat exchanger;
- One natural gas-fired auxiliary boiler to support the power block;
- Related ancillary equipment; and
- In phase 2, two GE simple-cycle LMS-100 PB combustion turbine generators (SCTGs) with a nominal capacity of 200 MWs.

Project Description

The petitioner is proposing to modify the HBEP 12-AFC-02 Final Decision (now 12-AFC-02C) by replacing power block 1 as licensed, with the two-on-one combined-cycle natural gas-fired turbine (CCGT) configuration described above with a nominal summer capacity of 644 MWs (net).

Power block 2 as licensed would be replaced with two GE LMS-100 PB simple-cycle gas turbine (SCGT) units with a nominal capacity of 200 MWs. Each power block will have a set of electric powered natural gas compressors.

The project will be constructed on 30 acres within the footprint of the existing Huntington Beach Generating Station (HBGS). This area includes the licensed 28.6-acre site plus an additional 1.4 acres of paved area previously evaluated as temporary construction parking that the project owner has acquired from Southern California Edison (SCE).

An additional area for temporary construction laydown and construction worker parking would be located at the former Plains All-American Tank farm property to the southeast of the licensed site. The licensed HBEP included 1.9 acres of construction parking on the Plains site. As part of the amendment, a total of 22 acres of combined construction parking and construction laydown is proposed at the Plains All-American site.

Removal/demolition of existing Huntington Beach Generating Station Units 3 and 4 will occur in advance of the construction of the Amended HBEP phase 2 SCGT power block. Existing Huntington Beach Generating Station Units 3 and 4 are licensed through the California Energy Commission (CEC; 00-AFC-13C). Demolition of these units is authorized under that license, will proceed during the amended HBEP certification process, and is not part of the amended (12-AFC-02C) HBEP project definition. Demolition and removal of the Unit 5 peaker (former gas turbine generator), two former fuel oil tanks, associated fuel oil pipelines, asbestos and containment berms will begin in the 4th quarter of 2015. This demolition activity was approved by the Energy Commission in the October 2014 decision. All of the above demolition activities are addressed in the PTA for review of potential project cumulative impacts.

If the HBEP PTA is approved by the Energy Commission, construction and demolition activities at the project site are anticipated to take 96 months, lasting through the first quarter of 2024. This demolition work will require site preparation and grading activities. Construction of the amended HBEP phase 2 SCGT units will require the retirement and demolition of existing Units 3 and 4.

Construction of the CCGT phase I, power block 1, is anticipated to begin in the second quarter of 2017 with commercial operation of power block 1 during the first/second quarter of 2020. Construction of the SCGT phase 2, power block 2, is anticipated to begin during the first quarter of 2022 with commercial operation during the first quarter of 2024.

Existing Huntington Beach Generating Station Unit 1 will be retired in the fourth quarter

of 2019 to provide interconnection capacity for the new CCGT units, and Unit 2 will be retired either after commercial operation of the HBEP SCGT units or at the final compliance deadline for once-through-cooling intake structures as determined by the State Water Resources Control Board, after which demolition of Huntington Beach Generating Station Units 1 and 2 will commence.

ENERGY COMMISSION AMENDMENT REVIEW PROCEDURES

The purpose of the Energy Commission's review process is to assess the impacts of this revised proposal on environmental quality and on public health and safety. The review process includes an evaluation of the consistency of the proposed changes with the Energy Commission's Decision and a determination whether the facility, as modified, would remain in compliance with applicable laws, ordinances, regulations, and standards (Title 20, California Code of Regulations, section 1769). Energy Commission staff is currently analyzing the request and will publish analyses following a discovery period. Following the issuance of the Presiding Member's Proposed Decision by the Committee overseeing the Energy Commission review, a public hearing for the purpose of approving, denying, or modifying the amendment proposal will be held at a regularly scheduled Energy Commission business meeting.

The amendment petition (12-AFC-02C) is available on the Energy Commission's webpage at http://www.energy.ca.gov/sitingcases/huntington_beach_energy/index.html. The staff analyses, when published, will also be posted on this webpage.

Agency Participation

Enclosed is a copy (CD) of the Petition to Amend the HBEP Final Decision in electronic format. We ask that you review the sections of interest to your agency and determine whether any proposed modifications to the licensed HBEP present major issues or concerns. If you would like to have a hard copy of the PTA 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 John Heiser, Energy Commission Project Manager, at (916) 653-8236, or by email at John.Heiser@energy.ca.gov. Staff requests that all agency comments be provided to us by November 20, 2015. You may be asked to present and explain your conclusions at public and evidentiary hearings on the project. Your participation in the proceeding will continue to be valuable and encouraged and will allow you to identify and try to resolve issues of concern to your agency. There may be specific requests for agency review and comment during the discovery period.

Those who wish to comment can use the Energy Commission's e-Commenting feature as follows: Go to the Energy Commission's HBEP webpage and click on the "Submit e-Comment" link. In the form, provide the required information—your full name, e-mail address, the comment title, and either a comment or an attached document. The comment title should be "[Your Name]'s Comments re HBEP Petition." Type your comments into the "Comment Text" field, or upload and attach a document with your comments. The maximum upload file size is 10MB, and only .doc, .docx, or .pdf attachments will be accepted. Enter the phrase that is used to prevent spamming. Then

click on the "Agree and Submit your Comments" button to submit your comments to the Energy Commission Dockets Unit for review. When your comments are approved and docketed, you will receive an e-mail with a link to them on the facility webpage.

Written comments may also be mailed or hand-delivered to:

California Energy Commission
Dockets Unit, MS-4
Docket No. 12-AFC-02C
1516 Ninth Street
Sacramento, CA 95814-5512

All comments and materials filed with and approved by the Dockets Unit will be added to the facility Docket Log and become publically accessible on the Energy Commission's webpage for the facility.

The status of the proposed project, copies of notices, a copy of the AFC PTA and other relevant documents are also available on the Energy Commission's Internet web site at: http://www.energy.ca.gov/sitingcases/huntington_beach_energy/index.html

You can also receive email notification of all project related activities and availability of reports by subscribing to the List Server at <http://www.energy.ca.gov/listservers/index.html>.

Sincerely,

Date: 10/16/2015

Original Signed by Chris Davis
Chris Davis, Siting Office Manager

Mailed to:
Agency List # 7438