Notice of Decision by California Energy Commission

To: [X] California Resources Agency
1416 9th Street, Room 1311
Sacramento, CA 95814

From: California Energy Commission
1516 9th Street
Sacramento, CA 95814

Subject: Filing of Notice of Decision in compliance with Public Resources Code Section 21080.5 and Title 20, California Code of Regulations, Section 1788

Project Title: LOS ESTEROS CRITICAL ENERGY FACILITY 2, PHASE 2

Energy Commission Docket Number: 03-AFC-2

Energy Commission Contact Person: ROBERT WORL

Telephone: (916) 651-8853

Project Location: 800 THOMAS FOON CHEW WAY, SAN JOSE, CA

County: SANTA CLARA COUNTY

Project Description:

Originally licensed on July 2, 2002 (01-AFC-12), and recertified on March 16, 2005 (03-AFC-2, Phase 1), as a simple-cycle power plant, the Los Esteros Critical Energy Facility (LECEF) project was required to recertify or convert to combined-cycle operation within 3 years of the original decision date. The current project application (03-AFC-2, Phase 2) contains an application to license the conversion of the LECEF to a combined-cycle facility, adding a steam turbine generator and associated equipment that increases the electrical output by 140 megawatts (MW) to a total output of 320 MW.

Phase 2, licensing the conversion of the LECEF to a combined-cycle facility has completed the Application for Certification process by the Energy Commission.

The project is a 180 megawatt (MW) simple cycle power plant, with four GE LM6000 natural gas-fired turbines and associated electrical generation equipment. Recycled water is used for cooling and for enhanced turbine efficiency. Power is currently supplied to the grid via an approved 150 foot-long permanent connection through the Pacific Gas & Electric Los Esteros Substation-Nortech 115 kV transmission line, but will transfer the interconnection to a 230 kV connection point at the Silicon Valley Power Switching Station recently build next to the LECEF. Selective catalytic reduction, and an oxidation catalyst are employed to reduce air pollutant emissions of NOx, SO2, and CO, and will continue to be used within the Heat Recovery Steam Generator system to be added during the conversion to combined-cycle operation.

On October 11, 2006, the California Energy Commission approved the above-described project, 03-AFC-2, Phase 2, pursuant to a regulatory program certified by the California Secretary of Resources under Section 21080.5 of the California Public Resources Code.

1. The project [ ] will [XX will not] have a significant effect on the environment.
2. Mitigation measures [XX were [ ] were not] made a condition of approval of the project.
3. A statement of Overriding Considerations [...] was [XX was not] adopted for the project.
The Commission docket files containing the final Commission Decision and other information regarding the project are available to the public at: California Energy Commission, 1516 9th Street, Sacramento, California, 95814. The final Decision and other information regarding the project is also available on the Commission's web site—[www.energy.ca.gov].

Signature: Robert Worl  
Dates received for filing

Resources:

CEC:

CALPINE CORPORATION  
50 W. San Fernando Street  
San Jose, CA 95113  
(916) 294-6266
Debtor In Possession

PAY ONLY 850 00
PAY Eight hundred fifty and 00/100 Dollars

TO THE ORDER OF  
CALIFORNIA DEPT. OF FISH & GAME  
C/O STATE WATER RES. CONTR. BOARD  
P.O. BOX 2000  
SACRAMENTO, CA 95812-2000  
United States

CHECK NUMBER 0021553
DATE 10/10/2006
AMOUNT $850.00

Authorized Signature

Charles B. Clark Jr.

CALPINE CORPORATION  
50 W. San Fernando Street  
San Jose, CA 95113  
(916) 294-6266

CALIFORNIA DEPT. OF FISH & GAME  
C/O STATE WATER RES. CONTR. BOARD  
P.O. BOX 2000  
SACRAMENTO, CA 95812-2000  
United States
STATE OF CALIFORNIA
DEPARTMENT OF FISH AND GAME
ENVIRONMENTAL FILING FEE CASH RECEIPT
DFG 753.5a (01/2002)

Receipt No: 3021
Date: 10/11/2006
Invoice Date: 10/11/2006
Document No: 03-AFC-2
Deposit No: 3708

Lead Agency: CA Energy Commission
State Agency of Filing: Department of Fish and Game
Project Title: Los Esteros Critical Energy Facility 2, P

Calpine Corp.
50 W. San Fernando Street
San Jose, CA 95113

Project Applicant Name
Project Applicant Address:
City, State, Zip

Project Applicant (check appropriate box): □ Local Public Agency □ School District □ Other Special District □ State Agency □ Private Entity □

APPLICABLE FEES:
Environmental Impact Report: $0.00
Negative Declaration: $0.00
Application Fee Water Diversion (State Water Resources Control Board Only): $0.00
Projects Subject to Certified Regulatory Programs $850.00

Lien fee: $0.00
Penalty: $0.00

County Administrative Fee:
□ Project exempt from fees

Total Received $850.00

Person receiving payment: Bill Terry, Accounting Technician

4 copies - Project Applicant, DFG/FASB, Lead Agency, County/State Agency of Filing