CALIFORNIA ENERGY COMMISSION
1516 NINTH STREET
SACRAMENTO, CA 95814-5512

ALLIANCE COLTON DREWS SUBSTATION PROJECT STAFF ASSESSMENT FOR EMERGENCY PERMIT

SUMMARY

The Energy Commission staff has performed a fatal flaw analysis of the Alliance Colton Drews Substation Project (Drews) and recommends that the Energy Commission approve the project with the Conditions of Certification proposed by staff. Staff further recommends that the certification be for the life of the project if at the end of the power purchase agreement with the California Department of Water Resources the project owner can verify that the project meets certain continuation criteria. These recommendations are based on the Energy Commission staff's independent assessment of the emergency permit application, independent studies and site evaluation and consultation with agencies that would normally have permitting authority over the project except for the Energy Commission's emergency permitting authority provided by Emergency Executive Orders by the Governor.

On March 21, 2001 Alliance Colton, LLC. (Alliance) filed an emergency permitting application for the Drews project. Alliance submitted supplemental application information March 30 and April 6. Alliance's application was deemed complete on April 6, 2001. The application is available in Adobe PDF format at the documents portion of the project website, at http://www.energy.ca.gov/sitingcases/peakers/drews.

The Drews project is a proposed 42 MW simple-cycle power plant on the Drews substation owned by the City of Colton. The substation is located at 559 South Pepper Avenue in the City of Colton in San Bernardino County. The site, approximately 2-acres in size, is located approximately 0.5 miles south of Interstate 10 and a Southern Pacific Railroad line, approximately 1 mile east of South Riverside Avenue, approximately 1 mile west of South Rancho Avenue, and approximately 1-mile north of West Agua Mansa Road, within the Agua Mansa Industrial Corridor Specific Plan area. There are no structures on parcels immediately adjacent to the site to the north, west, or south, as the facility is surrounded by protected Delhi Sand flower-loving fly (DSF) habitat and potential habitat for the Los Angeles pocket mouse. The California Portland Cement Company borders the site to the east. The nearest residential area is located approximately 1-mile to the northeast, across Interstate 10.

The proposed project consists of four General Electric model 10B1 simple-cycle gas turbines rated at 10.5 MW each, along with associated equipment. The proposed permits from the air district will require the project to meet air emission limits set by the Best Available Control Technology (BACT). For a simple-cycle gas turbine, these limits are 5 ppm for oxides of nitrogen (NOx) and 6 ppm for carbon monoxide (CO). Due to the critical need for electricity this summer, the turbines will initially operate without air pollution control technology capable of meeting BACT emission levels under a Compliance Order that Alliance will obtain from the South Coast Air Quality Management District (SCAQMD)

for the first few months. The project will initially use dry low-NOx technology capable of limiting NOx emissions to 25 ppm. Alliance will install either Selective Catalytic Reduction (SCR) emissions control or XONON combustion technology to reduce emissions to 5 ppm NOx following the schedule set in the SCAQMD Compliance Order.

The project will use water only for evaporative inlet air cooling. Water will be supplied by the San Bernardino County Water District. The District will build a new water pipeline along Slover Ave. that will connect with an existing water pipeline that runs from Slover Ave. south along the existing access road to the substation site. No wastewater will be generated by normal operation of this facility. Wastewater from periodic turbine cleaning will be collected and removed from the site for disposal. The SCR emission control technology, if used, will require the storage and use of aqueous ammonia. If the XONON combustion technology is used to limit air emissions, no aqueous ammonia will be used at the site. A location map, site plan, and air photo of the project site from Alliance's application are available for download along with this staff assessment at the project web site.

Electrical interconnections for the project will be made at the substation via two new circuit breakers. Natural gas will be supplied to the project by SoCal Gas connecting with an existing supply pipeline that runs approximately 200 feet east of the substation. The connecting pipeline will follow a route approved by the US Fish and Wildlife Service to avoid impacts to the habitat of the endangered Delhi Sands flower-loving fly.

Alliance anticipates construction to require approximately three months, and anticipates bringing the power plant online by August. The peak construction workforce will be 42 workers and supervisors.

EMERGENCY PERMITTING AUTHORITY

This project is being considered outside of the Energy Commission's normal power plant permitting process. Under Public Resources Code section 25705, if the legislature or the Governor declares a state of energy emergency, the Commission has emergency authority to order the construction and use of generating facilities under terms and conditions it specifies to protect the public interest. This authority can be invoked only if the Legislature or Governor declares a state of emergency and the Commission determines that all reasonable conservation, allocation, and service restriction measures may not alleviate an energy supply emergency.

Governor Gray Davis declared a state of emergency on January 17, 2001. On February 8 and March 7, 2001, the Governor issued several executive orders and declared that all reasonable conservation, allocation, and service restriction measures will not alleviate an energy supply emergency.

In Executive Orders D-26-01 and D-28-01, the Governor ordered the Energy Commission to expedite the processing of applications for peaking and renewable power plants that can be on line by September 30, 2001. The Governor also declared that these projects are emergency projects under Public Resources Code section 21080(b)(4), and are thereby exempt from the requirements of the California

Environmental Quality Act (CEQA). A summary of the emergency permitting process, including the proposed schedule, and a checklist showing the information required in an application, can be found on the web at:
http://www.energy.ca.gov/sitingcases/peakers/documents/index.html

NEED FOR EMERGENCY PERMITTING

SUPPLY

The electric generation system must have sufficient operating generating capacity to supply the peak demand for electricity by consumers (including the transmission and distribution losses associated with power delivery). Also, an additional amount of reserve power plant capacity must be operational to act as instantaneous back-up supplies should some power plants or transmission lines unexpectedly fail. According to the Western Systems Coordinating Council (WSCC), to reliably deliver power, control area operators should maintain operating reserves of seven percent of their peak demand (including losses). If operating reserves decline below that level, customers that have agreed to be interrupted in exchange for reduced rates may be disconnected. If operating reserves get as low as one and a half percent, firm load will likely be shed locally, resulting in rotating blackouts, to avoid system-wide blackouts.

Current estimates by Energy Commission staff of consumer peak demand for electricity and reserve requirements, and of the expected availability of electricity capacity supplies for the summer of 2001, indicate that existing capacity supplies are not adequate to maintain a seven percent operating reserve margin particularly if summer temperatures rise above levels that have as much as a 10 percent chance of occurring. Therefore, additional capacity resources or demand reductions are needed now and by next summer to maintain a seven percent operating reserve margin under temperature conditions that have about a 10 percent chance of occurring.

Many efforts to reduce peak demand and supply new capacity are currently under way. More than 2,500 MW of new generation may be operational by July 2001. These projects include power plants already certified by the Energy Commission that are currently under construction; various upgrades, rerates and returns-to-service of existing power facilities; and new renewable generation responding to Energy Commission incentive programs. The emergency approval of new simple-cycle power plants at numerous locations throughout the state is also important to respond to peak summer demand and provide local electricity system reliability.

Staff assumes that power plant outages of about 3,000 MW will occur throughout the summer. If power plant outages this summer turn out to be greater than assumed, new capacity resources, such as peaking power plants, can help maintain an adequate reserve margin, and help avoid or shorten the duration of rotating blackouts.

PUBLIC HEALTH AND SAFETY

There is a reliability benefit associated with locating generation resources near the significant load centers. When load and generation are seriously out of balance, as they are in most service areas, the potential for system separation, islanding and cascading outages are significantly increased (U.S. Congress, Office of Technology Assessment, June 1990). If additional simple-cycle projects are not licensed and built, this reliability benefit will be foregone until additional larger baseload generation is built in such areas. Although it is impossible to accurately calculate the likelihood of system outages, such outages are certainly plausible and are much greater without new generation resources in most California service areas. Power outages frequently occur during, and are often precipitated by, periods of extreme heat. Extreme summer heat creates extreme demand primarily from air conditioning loads. In fact, it has been demonstrated that demand in California is particularly sensitive to small increases in maximum summer temperature (CEC 1999). In the summer of 1998 the system demand in California increased by 4,000 MW as a result of a five-degree increase in temperature as compared to more typical maximums.

When major outages occur, there is an increased risk of significant public health and safety impacts. Fatalities and injuries associated with many types of accidents may result from outages, such as traffic accidents from signal and lighting failures, falls down unlighted stairways, fires caused by use of candles for lighting and unconventional open-flame cooking, loss of life support equipment in medical clinics, and electrical shock from improper use of portable electric generators. However, a much more serious risk is the potential morbidity and mortality associated with summer heat waves. Behind major epidemics, heat waves in California rank among the worst of all other natural disasters in the history of California for excess mortality. Heat waves have caused more fatalities in individual events than the 1906 earthquake (452 deaths), the San Francisquito Dam collapse of 1928 (450 deaths) and the Port Chicago explosion in 1944 (322 deaths) (Oechsli and Buechley 1970). The mortality associated with one California heat wave in 1955 resulted in 946 deaths (before air conditioning was in common use). Fortunately the mortality associated with such events is completely preventable (Semenza 1995). One of the most effective ways of avoiding mortality during heat waves is to spend time in air conditioned environments during the hottest parts of the day (CDC 2000). However, artificial climate control (air conditioning) may be mandatory to avoid fatalities when temperatures change abruptly (Bridger and Helfand 1968).

The availability of air conditioning has significantly reduced the mortality associated with heat waves in California and throughout the nation. It was estimated that increased use of air conditioning during the 1963 Los Angeles heat wave saved over 800 lives (Oechsli and Buechley 1970). Sensitive populations are often dependent on air conditioning to avoid aggravation of chronic health conditions such as chronic obstructive pulmonary disease or acute health effects such as heat stroke. It is widely recognized that hot weather conditions can significantly increase both morbidity and mortality, particularly among sensitive populations such as the very young, the elderly, and those with chronic diseases (Bridgerand and Heland 1968) (Schickele 1947) (Oechsli and Buechley 1970) (Kalkstein et al 1989, 1993, 1997, 1998). Thus, shortages

of electricity can impose risk of very serious impacts on the public, potentially increasing the risk of deaths due to heat waves. The vast majority of those who die in heat waves are at home without air conditioning and are elderly. Based on evaluation of the public health and safety risks associated with new projects, staff concludes that new generating projects are much more likely to reduce public health and safety risks than increase them.

AIR EMISSIONS OF BACK UP GENERATORS COMPARED WITH EMERGENCY PERMIT POWER PLANTS

California generation is among the cleanest in the country. This is due to negligible coal and oil use as generation fuel, the Best Available Retrofit Control Technology (BARCT) and Best Available Control Technology (BACT) rules, and a robust mix of geothermal, renewable, nuclear and hydroelectric generation. With the generation shortfalls California has experienced in recent months due to abnormal forced and unforced outage rates and shortages of instate and out of state generation capacity, several options have been considered to supply additional generation without compromising public health and safety.

One option is to utilize the existing fleet of diesel engines that are used as backup or standby generators for facilities such as hospitals, businesses, and essential services such as telephone, water, sewer, police and fire. Most of these generators are exempt from permitting as they are designed to only run when the grid fails to deliver electricity. That fleet is older and uncontrolled. It could represent 11,500 units, producing as much as 5,000 MW. However, as little as 1,200 MW may be compatible with operating in parallel with the grid. Most units are designed to only operate when isolated from the grid, and only with enough power for essential load at the facility.

Another option is to rely on a small number of diesel or natural gas engines that are permitted with emission control equipment as prime engines. Their emissions are in the range of 10 lb NOx/MWhr. However, they may not be tied to a generator (e.g., they may operate a pump or compressor) or are already operating at or near baseload, so they may not be able to supply much electricity to the grid. Other California generation options are less than 1.0 lb NOx/MWhr, but few are cleaner than the system NOx averages with the exception of demand reduction, solar, wind, and expensive fuel cells. The generation system emission averages will continue to decrease as the BARCT rules are fully implemented and the new generation with BACT installed comes online. The generation system emission average should approach 0.1 lb NOx/MWhr by 2005.

DIFFERENCES IN AIR EMISSIONS

Emission rates, rather than the sheer number of generators of any one type, are key to comparing emissions from different generation sources. For example, if there is a need for 1000 MW over 10 hours, or 10,000 MWhrs, then the NOx emissions are simply a product of the emission rate multiplied by 10,000. Diesel standby engine use would result in 150 tons of NOx over 10 hours, versus 1.5 tons from 1000 MW of natural gas-fired generation over the same period of time. With NOx emissions controlled to 5 ppm,

the GE10B1 turbines proposed in this project would produce approximately 1.2 tons per 10,000 MWhrs of generation.

The location and configuration of a source are also significant factors in assessing the effect on air quality. If the 1000 MW is concentrated in one location (e.g., a 1000 MW combustion turbine or combined cycle project), then the emission will be of relatively low concentration, will be buoyant, and will be emitted at a relatively high elevation from a stack. If the 1000 MW consists of 1,000 one-MW diesel standby generators, the emissions will be emitted near ground level, at relatively high concentrations, and probably over a wide region or even throughout the state. Similarly, a dispersed set of peakers (e.g., twenty 50MW General Electric LM6000s) could be located throughout the state. Without knowing their exact locations, their effects on air quality are not entirely known. A peaking power plant located next to a hill or mountain, because of the terrain or topography, or in an area that is already heavily polluted could result in violations whereas the other 1000 MW "configuration" might not.

EMISSION REDUCTION CREDIT BANK

The Governor's Executive Order D-24-01, charges the California Air Resources Board with the responsibility of creating a state emission reduction credit bank for the purpose of providing offsets for new or expanded peaking facilities that could add new power by this summer. This bank was initially funded with recent NOx reductions generated through the CARB's Carl Moyer Program, an incentive program. The incentives are grants that cover the incremental cost of cleaner on-road, off-road, marine, locomotive and stationary agricultural pump engines, as well as forklifts and airport ground support equipment. Because the new or expanded peaking facilities will operate under short term entitlements, for the purpose of responding to the energy crisis, the use of these mobile emission reductions are intended to provide NOx and particulate matter offsets for these peaking facilities.

These emission reduction credits (ERCs) are available through the Board to peaking power plants that need emission offsets in order to add new or expanded peaking capacity that will be on-line by September 30, 2001. These credits are intended to fully satisfy offset requirements of these power plants. The ERCs available from this bank are nitrogen oxides (NOx) and particulate matter less than 10 microns (PM10). Where needed, these ERCs will be issued to qualified power plant applicants for a three-year period. These ERCs will expire on November 1, 2003, to ensure that these credits will be available for three full summer peak seasons. The amount of NOx ERCs needed for this project is directly related to the emission control level of 5 parts per million NOx and the number of hours of operation. The CARB bank will make up to 21 tons per year available for purchase for each 50 MW power plant up to 100 MW total. Prior to the expiration of the CARB short term ERCs, applicants who use these credits will be required to secure permanent emission reductions for the remaining life of the power plant peaking units if the applicant desires to continue to operate the unit.

Heavy-duty engines are a significant source of smog-forming pollutants. About 525,000 heavy-duty diesel trucks are driven throughout the state, with another 680,000 diesel-fueled engines used in construction and agriculture. Together, diesel engines

contribute about 40 percent of all NOx emissions from mobile sources. NOx is one of the main contributors to ground-level ozone, one of the most health-damaging components of smog. In addition, the fine particulate matter exhaust from heavy-duty diesel engines is a toxic air contaminant. The Carl Moyer incentive program focuses on reducing emissions of smog-forming NOx, but will also reduce particulate emissions.

Particulate matter includes many carbon particles (also called soot) as well as other gases that become visible as they cool. In 1998, California identified diesel particulate matter (diesel PM) as a toxic air contaminant based on its potential to cause cancer and other adverse health effects. In addition to PM, emissions from diesel-fueled engines include over 40 other cancer causing substances. Overall, emissions from diesel engines are responsible for the majority of the potential airborne cancer risk in California. Several studies have confirmed that the cancer risk from diesel particulates is greater than the risk from all other identified toxic air contaminants combined. Given these findings, using the proposed emission reduction credit strategy will be an effective means to offset peaking power plant emissions as an interim measure.

STAFF ANALYSIS OF ALLIANCE COLTON DREWS SUBSTATION

The following sections briefly describe staff's fatal flaw analysis of the Drews project. Conditions of certification for the project are included at the end of this report.

ENGINEERING

The project, including its linear facilities, such as water and natural gas pipelines, will be designed and constructed in compliance with the California Building Code (CBC) and all other applicable engineering LORS (see Condition of Certification **GEN-1** below). This will be assured by the Commission's delegate Chief Building Official (CBO), whose duties are prescribed under the CBC. These duties include the review of project designs by qualified engineers and the inspection of project construction by qualified inspectors. The CBO's performance, in turn, will be ensured through monitoring by the Commission's Compliance Project Manager.

The standard Facility Design condition of certification, **GEN-1**, is required. No additional Facility Design conditions are proposed.

AIR QUALITY

The analysis of the air quality impacts of this emergency permit application was performed by the South Coast Air Quality Management District (SCAQMD). On March 29, 2001, the SCAQMD issued a notice of intent to issue an Authority to Construct for this facility. This notice initiates a 30-day public comment period. SCAQMD intends to issue the Authority to Construct for this facility after the close of that comment period. A copy of the notice is included in Appendix A of this report. Staff has incorporated the Authority to Construct by reference (see Appendix B) and proposed conditions of certification that require the project owner to limit fugitive dust emissions during construction and to comply with the Authority to Construct issued by the South Coast Air Quality Management District.

The proposed permits from SCQAMD will require these turbines to be equipped with air pollution control equipment that will meet the following emission levels: 5 ppmv Nox @ 15%O_2, 6 ppmv CO @ 15%O_2, and 2 ppmv ROG @ 15%O_2. The air pollution control equipment will consist of either Selective Catalytic Reduction (SCR) with oxidation catalyst, or XONON combustor technology with oxidation catalyst. If the SCR is utilized as the air pollution control equipment, ammonia will be used to react with NOx emissions in the exhaust gases; therefore, an ammonia storage tank is also being proposed for the SCR control option.

Due to the critical need for electricity this summer and because the construction schedule does not allow for full installation of air pollution control equipment prior to September 2001, in implementing the Governor's Executive Orders, the turbines will be

operated for the first few months without air pollution control equipment and under a Compliance Order that Alliance Colton LLC will obtain from the SCAQMD.

NOISE

Existing noise sources in the vicinity of the project include traffic from Interstate10 and intermittent railroad noise, both of which are generated approximately 0.5 miles to the north of the project site. Additional noise in the project area is generated by operations at the California Portland Cement Company located east of the project site.

Noise impact information supplied by the applicant indicates that project noise levels at the property line are projected to be 75 dBA, but that those levels would drop to below 65 dBA within 200 feet of the property line. However, the City of Colton Noise Ordinance requires that the completed facility not exceed 65 dBA at the property line at a height of 6 feet above grade. As proposed, the project would exceed this standard. Additional impacts are not expected to result from noise levels in excess of this standard, including any potential impacts to sensitive species within the project area. Further discussion of potential project-related impacts sensitive species can be found in the **BIOLOGY** section of this report.

On April 11, 2001 the City of Colton Planning Commission found that the proposed project would be "…consistent with the intent and guidelines of the General Plan" and "…consistent with the guidelines for granting a Major Variance, as outlined in Section 18.58.040 of the Zoning Ordinance." A Major Variance to exceed noise restrictions was approved by the Planning Commission at that time; therefore, the project as proposed would be in compliance with local standards.

Standard Conditions of Certification **NOISE-2**, **NOISE-3**, and **NOISE-4** are required to ensure that project-related noise impacts will be reduced to a less than significant level. No additional Noise conditions are required.

HAZARDOUS MATERIALS

The proposed project may involve use of aqueous ammonia and will involve use of natural gas. Ammonia may be used for control of NOx emission in an SCR system. However, this option will be an alternative to the use of the XONON process that is the Alliance Power's preferred approach for NOx control. The XONON system would not require use of ammonia. In the event that ammonia is used, Alliance has chosen to use a form of ammonia that inherently safe. The choice of a 19 percent aqueous solution would result in a very low emission rate in the event of accidental release of ammonia. In addition to proposing this form of ammonia, Alliance has also chosen to incorporate spill containment facilities around the storage tank and delivery areas. These measures will reduce the potential for impact on the public as a result of ammonia handling at the facility to less than significant levels.

Natural gas will not be stored at the site but will be handled in significant quantities. However, the systems used to handle natural gas at the facility will comply with all applicable engineering design codes and fire protection codes. These measures will reduce the potential for impact on the public as a result of natural gas handling at the facility to less than significant levels.

The proposed project will require the installation and operation of a natural gas pipeline, which will be designed and operated in compliance with all applicable codes. These measures will reduce the potential for impact on the public as a result of accidental release to less than significant levels. Staff has reviewed external hazards posed by numerous rail lines in the vicinity of the pipeline and has concluded that train traffic near the pipeline would be at relatively slow speeds and at distances that are not likely to pose threats to the pipeline.

Implementation of standard Conditions of Certification **HAZ-1** and **HAZ-2** would ensure that potential project-related hazardous material impacts will be reduced to less than significant levels.

RESPONSE TO PUBLIC COMMENT ON HAZARDOUS MATERIALS MANAGEMENT

Camilla Herrera spoke at the public hearing held in Colton on April 11, and followed with a comment via e-mail because she felt her concerns were not adequately addressed. At the hearing she asked how far the underground gas lines would be installed from residents in the area. In her follow-up comment, she expresses concern about a natural gas pipeline that would run immediately in front of homes along M Street. That pipeline is part of the Alliance Colton Century Substation Project, and her comment has been addressed in that staff report. The natural gas pipeline for this project does not run close to any residential areas.

BIOLOGY

Alliance proposes to construct the Drews project within the walls of the existing substation, which is located on the Santa Ana River floodplain. This area contains a number of highly sensitive and listed species; such as the Santa Ana River woollystar (*Eriastrum densifolum sanctorum*), Santa Ana sucker (*Catostomus santaanae*), San Diego horned lizard (*Phrynosoma coronatum blainvillei*), Delhi Sands Flower-loving fly (*Rhaphiomidas terminatus abdominalis*), San Bernardino kangaroo rat (*Dipodomys merriami parvus*), Los Angeles pocket mouse (*Perognathus longimembris brevinasus*), and burrowing owl (*Athene cunicularia*) (Moore 2001 & CNDD). Habitat for the Los Angeles pocket mouse (*Perognathus longimembris brevinasus)* and Delhi Sands Flower-loving fly (*Rhaphiomidas terminatus abdominalis*) surrounds the Drews substation.

All construction will be conducted within the existing substation and along existing roads. A gas pipeline and associated equipment will be installed along existing roads on the south end of the site in accordance with USFWS requirements. Equipment will

be staged in the substation or on existing access roads, and personal vehicles will be parked outside the substation gate on Slover Avenue or Pepper Avenue. Thus, habitat will be completely avoided and no impacts to listed species are expected. Additional mitigation measures will be taken to ensure the protection of sensitive species and their habitat.

The Los Angeles pocket mouse is a federal candidate-category 2 species. This species is found in grasslands, desert and coastal sage communities with fine sandy soils in the Los Angeles basin (CNDD 2001). Habitat loss due to urbanization and cultivation of the land within the Los Angeles Basin has caused a major decline in this species.

The Delhi sands flower-loving fly (DSF), a federally endangered species, inhabits only 640 acres of fragmented habitat within the cities of Colton, Rialto, and adjacent areas of San Bernardino County. This large insect in the Dipteran family, requires fine, sandy soils classified as Delhi fine sand with sparse native vegetation. The DSF has a single annual flight period from August through September. The female DSF deposit their eggs in the sand and it is here that larval development takes place. After a year in the sand the pupae work their way to the surface and emerge as adults. Delhi Sands Flower-loving fly adults use their elongated proboscis to obtain nectar from flowers (57FR54547).

Approximately 97% of DSF habitat has been destroyed or degraded, and the species is in danger of going extinct. DSF habitat was destroyed by agricultural conversion in the 1800's and housing and business development in the 1900's (57 FR 54547). On September 23,1993 the Delhi Sands Flower-loving fly was determined to be an endangered species pursuant to the Endangered Species Act of 1973.

POTENTIAL IMPACTS TO LISTED SPECIES

- During construction activities, dust produced by equipment excavating soil and trucks accessing the site on the gravel road could affect habitat by settling on and impacting vegetation. The DSF requires native vegetation for survival.
- Weeds brought in by vehicles and other construction activities could displace the native vegetation (57 FR 54547). Personal vehicles will be parked outside the gated access road on approved areas adjacent to Pepper or Slover Avenue, decreasing the transportation of weeds onto the site. Fill dirt from offsite locations can often contain non-native seeds. The use of outside fill dirt will not be required for this site. Best Management Practices (BMPs) used in construction and operation activities, such as straw bales, will be certified weed free, also decreasing the chances of non-native plants establishing on the site.
- Noise and/or vibrations of turbines could affect sensitive species and/or their habitat. Each turbine package is equipped with sound deadeners to reduce the radiated noise from the package. Exhaust silencers will be used to reduce the noise levels of the exhaust system. An existing ten-foot block wall surrounding the substation will help decrease noise levels. However, the Delhi Sands flower-loving fly, as other insects, do not perceive sound waves in the same way as humans do. Noise from

the facility is not expected to impact the DSF (Arnold 2001). Vibrations associated with the power plant will be minimal; however, the effect on DSF and their habitat is unknown at this time.

- Lighting at the facility could potentially impact the DSF. The day length regulates metamorphosis of DSF larva (Arnold 2001). Therefore, lighting at the facility will be limited to inside the walls of the facility and be screened from the outside habitat.
- Air pollution may affect the DSF by directly impacting the species or affecting their associated native vegetation (Arnold 2001). For the first few months of operation, the facility will produce up to 25 ppmv NOx. BACT NOx reduction technology will be then be installed, reducing emissions to 5ppmv NOx or lower.
- DSF has a single annual flight period in August and September (57FR54547). During this time the DSF would be more vulnerable to disturbances. The construction of the facility should be completed by the end of July to avoid the DSF breeding season.

CRITICAL HABITAT

Section 4(a)(3) of the Endangered Species Act requires that, to the maximum extent prudent and determinable, the Secretary may designate any habitat of a species that is considered to be critical habitat at the time a species is determined to be endangered or threatened. The US Fish and Wildlife Service found that designating critical habitat for the Delhi Sands flower-loving fly is not prudent. Critical habitat descriptions and maps in the federal register would render the species more vulnerable to scientific or personal collection. Furthermore, such maps and associated information would increase the threat of vandalism to the sites (57 FR 54547). The area surrounding Drews substation is one of the few remaining suitable habitats for the DSF. If critical habitat were to be designated by USFWS for the Delhi Sands flower-loving fly, it would be adjacent to the site.

MITIGATION

The City of Colton provided habitat compensation when the Drews substation was built. Approximately 4.6 acres of suitable DSF habitat was taken during the construction of the Drews, Hub, and Edison substations and associated transmission lines. To mitigate this take, the City of Colton permanently preserved 7.5 acres of suitable DSF habitat. Given that the proposed facility and equipment will be within previously developed and mitigated areas, additional compensation is not required.

The applicant proposes to completely avoid the habitat by building the facility within the walls of the Drews substation and remaining on approved roads. Implementation of standard Conditions of Certification **BIO-1** through **BIO-6**, together with conditions **BIO-7** through **BIO-13** will ensure that appropriate actions are taken to prevent or mitigate impacts to listed species and their habitat. Implementation of this mitigation will ensure that impacts to listed species from construction and operation of the proposed project are less than significant.

LAND USE

The proposed project site is located in a partially developed area intended for industrial uses within the City of Colton. The General Plan land use designation for the project site is SP/Heavy Industrial; the Zoning designation is also Specific Plan (SP)/Heavy Industrial, as Colton's General Plan and Zoning Ordinance are consistent. There are no structures on parcels immediately adjacent to the site to the north, west, or south, as the facility is surrounded by protected Delhi Sand flower-loving fly (DSF) habitat and potential habitat for the Los Angeles pocket mouse. Existing land uses in the the project vicintiy include the California Portland Cement Company to the east, and an existing railroad line to the north, across Slover Avenue. Beyond the railroad line lies Interstate 10. There are no exisitng land uses immediately adjacent to the site to the north, west, or south, as these areas are protected habitat. However, the General Plan land use and Zoning designations for these parcels surrounding the project site are SP/Heavy Industrial as well, as the entire project area is located within the Agua Mansa Specific Plan area. The proposed project is consistent with the existing land use and zoning designation of the project site, and the project will have a less than significant impact on surrounding land uses.

General Plan land use and Zoning designations for the planned water line and natural gas line extensions are also SP/Heavy Industrial, and also lie within the Agua Mansa Specific Plan area. Implementation of Condition of Certification **LAND-1** will ensure that any potential impacts related the water and natural gas pipeline will be less that significant.

The City of Colton Zoning Ordinance has a height restriction of 50-feet. The proposed project would include four 45–foot exhaust stacks. Therefore, the exhaust stacks as proposed are in compliance with local height restrictions.

The applicant will utilize the existing substation as a laydown area for equipment and other material necessary for project construction. According to the applicant, the majority of equipment will be pre-assembled at remote locations prior to delivery, and delivered directly to new concrete foundations at the project site. Utilization of the existing substation for equipment laydown would not result in additional project impacts. It should be noted that approval of this project does not constitute any approval or permitting for remote locations where equipment will be pre-assembled.

The applicant has indicated that the existing substation would provide additional parking areas necessary during project construction. However, at the recommendation of the City of Colton Police Department, the applicant will instead utilize paved and curbed areas on both Slover and Pepper Avenues for all parking during project construction. This was confirmed in a letter to Kevin Kennedy, the CEC Project Manager, dated April 4, 2001, which was received as part of the supplemental project information submitted by the applicant. Utilization of paved and curbed areas on both Slover and Pepper Avenues for parking is not expected to result in additional project impacts.

Although financial arrangements between Alliance Power and General Electric are confidential and have not been disclosed, staff estimates that the total cost of the proposed project would likely be on the order of $40 Million. As Alliance Power has signed a lease with the City of Colton that requires the existing substation to be returned to its original condition upon termination of the lease, the proposed project is not expected to impact the assessed property value of the existing substation, now or in the future. In addition, because the existing substation is City owned and does not provide property tax revenue to the city, the proposed project would have no impact on current property tax revenues collected by the City of Colton. Alliance will provide annual lease payments to the city for use of a portion of the substation.

TRAFFIC AND TRANSPORTATION

Site access is provided by Interstate-10 to Pepper Avenue, then south to the project site. Information received from the City of Colton Department of Public Works indicates that Pepper Avenue, south of Interstate 10, is operating at a satisfactory level. Slover Avenue, north of the project site, is also operating at a satisfactory level. The proposed project will not generate significant traffic during operation, and normal project operation will not result in significant traffic impacts.

Offsite construction of the new water pipeline will occur from west to east from Acacia Street along the north side of Slover Avenue to Pepper Avenue, where it will tie into an existing but unused 2-inch water line that extends south to the project site. This existing water line was previously established in anticipation of possible future needs at the project site. Although a new gas pipeline would also be extended to the project site, no traffic impacts will result from construction of this line, as this extension will not be along any public roadways. However, construction of the water pipeline may temporarily disrupt local traffic patterns along Slover Avenue. The applicant has not included a Traffic Control Plan (TCP) as part of the application; a TCP would be required prior to the start of any roadway construction activities. Implementation of a TCP and Conditions of Certification **TRANS-2** and **TRANS-4** will ensure that construction-related traffic impacts are reduced to a less than significant level.

Construction traffic will be of a temporary nature, (2-3 months), and highly variable. No specific TCP for roads during project construction has been provided. A TCP would be required prior to any road disruption. Conditions of Certification **TRANS-1**, **TRANS-2**, and **TRANS-3** will ensure project compliance with Caltrans and City/County limitations on vehicle sizes and weights, and limitations for encroachment into public right-of-way.

With implementation of the above mitigation measures the project's impact on traffic and transportation would be less than significant.

SOIL & WATER

During project construction and operation, wind and water action can erode unprotected surfaces. An increase in the number of impervious surfaces (paved, compacted, etc.)

can increase runoff, leading to the erosion of unprotected surfaces. There will be a total of 0.76 acres of disturbance (permanent and temporary) associated with the facility site and the pipelines (Moreau 2001). The project is being constructed at an existing substation and all construction and operation will be entirely within a previously developed area at the substation or on existing roads. Construction will require minimal excavation for foundation installation and water and natural gas pipeline installation.

The applicant will prepare an Erosion and Sediment Control Plan that identifies potential temporary and permanent erosion and storm water runoff control measures. The final plan will include specific best management practices (BMPs) to control storm water related pollution and minimize erosion during construction and operation of the facility. Staff is concerned that the applicant has not provided a plan to protect water quality during operation. Storm water coming in contact with the oil associated with the facility does not drain to a separation sump or oily water separator. The applicant will provide a plan that identifies storm water pollution prevention control measures, which is subject to approval by the CPM.

The BMP's used in this biologically sensitive area will be weed free to ensure that no non-native plants are introduced into this area. The area surrounding the site is primarily composed of native vegetation and is habitat for listed endangered species.

The applicant has provided a spill prevention plan. Secondary spill containment will be installed around the turbine packages and transformer to prevent oil spills in the event of catastrophic equipment failure. Each turbine holds approximately 850 gallons of lubricating oil. The oil will not be replaced, decreasing the probability of spills.

The facility will use a total of 20 gallons of water per minute during operation. Approximately 5 gallons of water per minute per turbine is required for the evaporative cooling on the turbine air intake (Moreau 2001). The water will completely evaporate and no wastewater will be produced. The simple-cycle turbines utilize dry low-NOx or catalytic combustion technology that does not require water to control emissions. The applicant has a verbal agreement with the West San Bernardino County Water District (WSBCWD) to obtain water for the facility. This was confirmed by staff in a phone conversation with the WSBCWD (Long 2001). The District will construct a new water pipeline along the north side of Slover Avenue to Pepper Avenue, where it will tie into an existing but unused 2-inch water line that extends south to the project site.

Implementation of standard Conditions of Certification **SOIL&WATER-1** through **SOIL&WATER-3**, as well as additional Conditions of Certification **SOIL&WATER-5** and **SOIL&WATER-6** will ensure that impacts to soil and water from construction and operation of the proposed project are less than significant. **SOIL&WATER-5** will ensure that straw bales and similar erosion control devices are weed-free, and **SOIL&WATER-6** requires the preparation of a Storm Water Pollution Prevention Plan for the operation of the facility. Standard Condition of Certification **SOIL&WATER-4** is not required because the facility is less than five acres and is not anticipated to have any discharge.

CULTURAL RESOURCES

The Drews project is an addition to the existing Drews Substation Facility. The Drews Substation was constructed in 1996 under the CEQA guidelines. The current project proposed by Alliance will be constructed within the footprint of the existing substation. A cultural resource analysis was completed under the original siting. The entire Area of Potential Effect (APE), including the gas line extension, was surveyed completely by Greenwood & Associates in 1994 with negative results. Greenwood & Associates determined the presence of sites in the general vicinity, including an extensive prehistoric site (CA-SBr-1576), which is located about ¼ mile south of the substation. This site will not be affected by any proposed construction.

In April 2001, Mike Lerch of Statistical Research, Inc, a cultural resource management firm, conducted a record search of the APE for the current project at the San Bernardino Archaeological Information Center. No new cultural resources were identified in the APE. Mike Lerch visited the project site on April 4, 2001 and inspected open trenches 1.5 meters deep along the west and north walls and saw no evidence of buried resources.

California Energy Commission (CEC) staff conducted a site visit on April 16, 2001 and inspected the areas to the south, east, and north of the Drews Substation. The gas line extension is in a heavily disturbed area and was previously surveyed by Greenwood & Associates.

No cultural resources will be affected by the Drews project, and no cultural resource monitoring is recommended. However, in the event that an unanticipated discovery is made, all construction within 100 feet (30m) of the discovery must come to a halt and the project manager must be notified immediately, followed by the designated cultural resource specialist.

Staff recommends adoption of Condition of Certification **CUL-1**, which has been modified from the standard condition for emergency projects to account for the possibility of encountering unexpected cultural resources. Because no cultural resources are expected to be encountered in this project, standard Condition of Certification **CUL-2** does not apply.

PALEONTOLOGICAL RESOURCES

The project site is located on highly disturbed alluvium. The applicant indicates that no known paleontological resources are known within the area of the project which is likely to undergo some level of ground disturbance (Alliance Power, Inc., 2001a, page 20). However, paleontological resources information regarding the substation has not been received by the CEC as of April 17, 2001. CEC staff is familiar with the project site from work on other projects in the Colton area and concurs that there is a negligible chance of encountering significant paleontological resources during the construction of this project. Ground disturbance of previously undisturbed alluvium will be minimal because the light loads associated with the foundation of the turbines for this project only require

shallow foundation, with piers not expected to exceed a depth of 14 feet below finished grade (Alliance Power, Inc., 2001a, page 2) and the limited length of the project linear facilities (natural gas line and water line extensions). The proposed expansion and peaker sites have been disturbed in the past and are not likely to contain significant paleontological resources in-situ. Although the intact quaternary alluvium has a high paleontological sensitivity due to paleontological resources finds in alluvium elsewhere within the San Bernardino Basin, the project is considered by CEC staff to have a low potential for encountering significant paleontological resources.

Implementation of standard Condition of Certification **PALEO-2** will ensure that if significant paleontological resources are encountered during construction, those resources will be appropriately assessed and managed.

VISUAL

The project site is characterized by flat terrain with sparse vegetation and a mixture of developed and undeveloped parcels. There are no structures on parcels immediately adjacent to the site to the north, west, or south, as the facility is surrounded by protected Delhi Sand flower-loving fly (DSF) habitat and potential habitat for the Los Angeles pocket mouse. Existing land uses in the project vicinity include the California Portland Cement Company to the east, and an existing railroad line to the north, across Slover Avenue. Beyond the railroad line lies Interstate 10. There are no existing land uses immediately adjacent to the site to the north, west, or south, as these areas are protected habitat. There are no important aesthetic resources in or near the project area, and there are no residences within the project area. The majority of existing public views of the site would be from Interstate-10, which lies approximately 0.5 miles to the north. The proposed project will include 4 exhaust stacks, each measuring 45-feet in height.

The applicant has not proposed any landscaping and has indicated that the City of Colton will not require a landscape plan for the project. This was confirmed in a telephone conversation with the Colton Planning Department on April 16, 2001. Given the industrial nature of the surrounding area and the lack of significant visual resources in the project area, visual impacts are considered less than significant.

The project is subject to specific Conditions of Certification **VIS-1** and **VIS-2,** which require steps to ensure mitigation of potential visual impacts. These measures will further reduce any potential visual impacts realted to the project to less than significant level. No further Visual conditions are required.

ENVIRONMENTAL JUSTICE

For all siting cases, including the emergency permitting process, Energy Commission staff follows the federal guidelines' two-step screening process. The process assesses:

- whether the potentially affected community includes minority and/or low-income populations; and

- whether the environmental impacts are likely to fall disproportionately on minority and/or low-income members of the community.

Estimated 2000 population data from Claritas shows numerous census tracks within six miles of the project site to include greater than 50% minority population, primarily to the northeast of the project site. Staff has determined that the impacts from this project, with implementation of staff's recommended conditions of certification, will not result in a significant impact in the surrounding community. Though minority populations are present in the area, staff finds that there are no environmental justice issues associated with this project.

TRANSMISSION SYSTEM ENGINEERING

The facility will connect to the Alliance Drews substation through 12 kV switchgear, including two new 12.47 kV circuit breakers. The generators will be located adjacent to the existing substation and will require no significant transmission facilities for interconnection. There are no significant transmission issues. Based on the results of the interconnection study, the operation of proposed generators at the Drews substation will not require downstream linear electric facilities and will comply with safety standards[1]. The operation of the proposed gas turbines at the Drews substation appears to reduce the loading on lines bringing power from the Southern California Edison service area into Colton. Alliance Power may be required to replace circuit breakers in the Southern California Edison service area but that will be determined by a Facilities Study which will be completed at a later date[2]. Thus, the interconnection of the Alliance Drews facility will not require the construction of downstream facilities and there are no significant transmission issues.

CONCLUSION

The Drews project, if built and operated in compliance with the proposed conditions of certification included in this staff assessment, will be available in time to help alleviate the current emergency. The proposed conditions of certification serve to protect the public interest and the environment. Staff recommends approval of this project.

[1] CPUC General Order 95, CPUC Rule 21, Title 8, Articles 35, 36 and 37, Title 8 CCR, Sections 2700-2974, CPUC Decision 93-11-013, Federal Communications Commission Part 15, Public Resources Code 4292-4296, and the National Electric Code.

[2] The replacement of circuit breakers usually occurs within the fence line of an existing substation and is not considered a significant downstream facility for the purposes of this analysis or with regard to environmental impacts.

REFERENCES

Alliance Power, Inc. 2001a Certification Application Report for Four 10.5MW Simple-cycle Turbines at Drews Substation. Submitted to the California Energy Commission on March 21, 2001.

Arnold, D. 2001. personal communication. Entomologist: Entomological Consulting.

Bridger and Helfand. International Journal of Biometeorology. 1968. Mortality from heat during July 1966 in Illinois, 1968.

California Department of Fish and Game. 2001. Natural Diversity Database.

California Energy Commission. 1999. High Temperatures and Electricity Demand. An Assessment of Supply Adequacy in California, July 1999.

CDC (Center for Disease Control). 2000. Heat-Related Illness, Death, and Risk Factors Cincinnati and Daton, Ohio, 1999, and United States, 1979-1997, June 02, 2000.

City of Colton General Plan, 1985.

City of Colton Zoning Ordinance, 1992.

City of Colton, Telephone conference; Nitin Modi, Department of Utilities, April 3, 2001.

City of Colton, Telephone conference; Tim Trewyn, Department of Utilities, April 4, 2001.

City of Colton, Telephone conference; Nitin Modi, Department of Utilities, April 9, 2001.

City of Colton, Telephone conference; John Hutton, Department of Public Works, April 9, 2001.

City of Colton, Telephone conference; Tim Trewyn, Department of Utilities, April 11, 2001.

City of Colton, Telephone conference; Andre Soto, Planning Department, April 11, 2001.

City of Colton, Telephone conference; Andre Soto, Planning Department, April 16, 2001.

City of Colton, Telephone conference; Nitin Modi, Department of Utilities, April 16, 2001.

Greenwood & Associates, James Schmidt May 1994. Cultural Resource Investigation: City of Colton New Substation and Transmission Facilities.

Hickman, J.C. ed 1993. Jepson Manual: Higher Plants of California. University of California Press. Berkeley, California.

Kalkstein and Davis, 1989. Weather and Human Mortality: An Evaluation of Demographic and Interregional Responses in the United States, Annals of Association of American Geographers, 1989.

Kalkstein et al. 1993 Health and Climate Change-Direct Impacts in Cities, Lancet, 1993.

Kalkstein and Green, 1997. An Evaluation of Climate/Mortality Relationships in Large U.S. Cities and Possible Impacts of Climate Change. Environmental Health Perspectives. 1997.

Kalkstein etal. 1998. Analysis of Differences in Hot-Weather-Related Mortality Across 44 U.S. Metropolitan Areas. Elsevier. 1998.

Long, Leon. April 17, 2001. Personal communication. Assistant General Manager; West San Bernardino County Water District.

Moore, Y. 2001. personal communication. Environmental Specialist III; California Department of Fish and Game.

Moreau, Brian, April 5, 2001. Personal communication, Project Manager; Alliance Power.

Semenza. New England Journal of Medicine. 1996. Risk Factors for heat-related mortality during the July 1995 heat wave in Chicago, 1996.

Shickele, E. Military Surgeon. 1947. Environmental and Fatal Heat Stroke, 1947.

United States Congress, Office of Technology Assessment. 1990. Physical Vulnerability of Electric Systems to Natural Disasters and Sabotage, June 1990.

United States Fish and Wildlife Service. 1992. Endangered and Threatened Wildlife and Plants; Proposed Determination of Endangered Status for the Delhi Sands Flower-loving fly. Federal Register. Vol 57. No. 224. P 54547 (57FR54547)

Williams. Weston. 2001. Wholesale Distribution Access – System Impact Study, Letter to Timothy Trewyn, March 30, 2001.

Woulfe, Mary Beth. 2001. personal communication. Biologist; United States Fish and Wildlife Service.

Zeiner, D.C. et al, 1990, California's Wildlife: Volume I, II, III, California Department of Fish and Game, Sacramento California.

STAFF CHECKLIST

The following Emergency Permit Evaluation Checklist is designed to provide an easy-to-follow guide to the application and staff's analysis of project impacts. Included in the Checklist are the Application Requirements, a determination by staff of whether or not the material was provided, and the location of the information in the applicant's document. The checklist then shows staff's analysis of significant issues, any special conditions needed to resolve those issues, and any required comments or references.

ALLIANCE COLTON DREWS SUBSTATION PROJECT
EMERGENCY PERMIT EVALUATION CHECKLIST
CALIFORNIA ENERGY COMMISSION

Application Requirement	Y/N	Application pages	Significant Issues	Special Conditions	Comments
1 Project Description					
1.1 Project owner/operator (Name, title, address, phone)	Yes	p. 1			
1.2 Overview of power plant and linear facilities	Yes	pp. 1-2			
1.3 Structure demensions (size and height), plan and profile	Yes	p. 2; attachment D			
1.4 Full size color photo of the site and rendering of proposed facility if available	Yes	Attachment D			
1.5 Maximum foundation depth, cut and fill quantities	Yes	Section 1.5	None	None	Slab foundations and pier foundations will be no more than 14 feet deep.
1.6 Conformance with California Building Code	Yes	Section 1.6	None	None	All engineering design and construction work will be performed to the applicable LORS, including the California Building Code.
1.7 Proposed operation (hours per year)	Yes	pp. 2-3			

Application Requirement	Y/N	Application pages	Significant Issues	Special Conditions	Comments
1.8 Expected on-line date	Yes	p. 3			Project meets the Executive Order D-28 requirement of being online by Sept. 30, 2001 to qualify for this emergency permit process
1.9 Proposed duration of operation (years)	Yes	p. 3			
1.10 Identify transmission interconnection facilities	Y	1,3 and attach D	No significant issues	See standard condition	Adjacent to substation.
1.11 Transmission interconnection application	Y	Attach. E			
1.12 "Down-stream" transmission facilities, if known	Yes	3, letter from Wes Williams to Timothy Trewyn dated 3/30/01.	No significant downstream facilities. However, additional circuit breakers beyond those identified in study may need to be replaced. Such replacement will not cause significant environmental impacts.	Circuit breakers should be sized to comply with a short-circuit analysis.	Further studies may identify breakers that will need to be replaced.
1.13 Fuel interconnection facilities	Yes	p. 3			
1.14 Fuel interconnection application	Yes	Attachment E			
1.15 Water requirements and treatment	Yes	p. 4			

Application Requirement	Y/N	Application pages	Significant Issues	Special Conditions	Comments
1.16 Water interconnection facilities (supply/discharge)	Yes	p. 4			
1.17 Source and quality of water supply	Yes	p. 4, attachment E			
1.18 Water supply agreement/ proof of water supply	Yes	p. 4, attachment E			
2 Site Description					
2.1 Site address (street, city, county)	Yes	Page 5	None.		
2.2 Assessor's parcel number	Yes	Page 5	None		
2.3 Names and addresses of all property owners within 500 feet of the project site or related facilities in both hard copy and electronic mail merge format.	Yes	Attachment F.	None		
2.4 Existing site use	Yes	Page 5	Portions of the site have not been previously developed, although evidence of human disturbance is present.		See potential impacts analysis in Section 8, Biological Resources, and Section 13, Cultural Resources.
2.5 Existing site characteristics (paved, graded, etc.)	Yes	Page 5 and attachment D.	Portions of the site have not been previously developed, although evidence of human disturbance is present.		See potential impacts analysis in Section 8, Biological Resources, and Section 13, Cultural Resources.
2.6 Layout of site (include plot plan)	Yes	Attachment D.	None.		

Application Requirement	Y/N	Application pages	Significant Issues	Special Conditions	Comments
2.7 Zoning and general plan designations of site and linear facilities	Yes	Page 5	None		
2.8 Ownership of site (Name, address, phone)	Yes	Page 6	None		
2.9 Status of site control	Yes	Page 6 and attachment G.	None		
2.10 Equipment laydown area – size and location	Yes	Page 6	None.		
3 Construction Description					
3.1 Construction schedule	Yes	p. 7, April 4 supplemental letter			
3.2 Workforce requirements (peak, average)	Yes	p. 7, April 4 supplemental letter			
4 Power Purchase Contract (DWR, ISO, other)					
4.1 Status of negotiations and expected signing date	Yes	p. 8			Contract between DWR and Alliance signed week of April 16.
5 Air Emissions					
5.1 Nearest monitoring station (location, distance)	Yes	p. 9			

Application Requirement	Y/N	Application pages	Significant Issues	Special Conditions	Comments
5.2 Provide complete self certification air permit checklist	Yes	Attachment B, revised in March 20 supplement			
5.3 Provide complete air permit application	Yes	Attachment I, revised in March 20 supplement			
5.4 Status of air permit application with air district	Yes	pp. 9-10		Condition AIR-2 requires the project owner to comply with the final permit approved by the air district	South Coast AQMD issued a notice of their draft permit on March 29, starting a 30-day public comment period. The final permit is expected to be issued shortly after the end of the comment period. The notice is included in this report as App. A, and the draft permit is included as App. B.
5.5 Status of offsets and/or mitigation fees, as required	Yes	p. 10			
6 Noise					
6.1 Local noise requirements	Yes	Page 11	None		
6.2 Nearest sensitive receptor (type, distance)	Yes	Page 11	None		

Application Requirement	Y/N	Application pages	Significant Issues	Special Conditions	Comments
6.3 Project noise level at nearest property line	Yes	Page 11	Project noise levels at the property line would exceed allowable noise standards.		The Colton Planning Commission approved a Major Variance on April 11, 2001 to allow the project to exceed noise limitations.
6.4 Proposed mitigation if required	Yes	Page 11	None		
7 Hazardous Materials					
7.1 Type and volume of hazardous materials on-site	Y	Page 12, April 4 supplemental letter	No	No	No
7.2 Storage facilities and containment	Y	Page 12, April 4 supplemental letter	No	No	No
8 Biological resources					
8.1 Legally protected species* and their habitat on site, adjacent to site and along right of way for linear facilities *(*threatened or endangered species on State or federal lists, State fully protected species)*	Y	Page 13, Attachment K	Habitat for federally endangered Delhi Sands flower-loving fly (DSF) is present adjacent to the site and along the utility right of way	Bio-7 Bio-8 Bio-9 Bio-13	US Fish & Wildlife Service has reviewed and approved of all proposed work outside the existing substation walls.

Application Requirement	Y/N	Application pages	Significant Issues	Special Conditions	Comments
8.2 Designated critical habitat on site or adjacent to site (wetlands, vernal pools, riparian habitat, preserves)	Y	Page 13, Attachment K	Project site is surrounded by habitat for the endangered Delhi Sands flower-loving fly.	Bio-10 Bio-12	Project activity outside of existing substation walls will take place in areas approved by US Fish and Wildlife Service.
8.3 Proposed mitigation as required	Y	Page 13, Attachment K	Habitat will be avoided during construction and operation of the facility.	Bio-11 Bio-14	Facility, equipment, vehicles and personnel will remain within the existing substation and approved roads.
9 Land Use					
9.1 Local land use restrictions (height, use, etc.)	Yes	Page 14	None		
9.2 Use of adjacent parcels (include map)	Yes	Page 14	None		
9.3 Ownership of adjacent parcels – site and linears	Yes	Attachment F.	None		
9.4 Demographics of census tract where project is located (most current available)	Yes	Attachment F.	None		
10 Public Services					
10.1 Ability to serve letter from Fire District	Yes	Attachment L			
10.2 Nearest fire station	Yes	p. 15			

Application Requirement	Y/N	Application pages	Significant Issues	Special Conditions	Comments
11 Traffic and Transportation					
11.1 Level of Service (LOS) measurements on surrounding roads – a.m. and p.m. peaks	Yes	Page 16	None		24-hour counts supplied by applicant. Further information obtained from the City of Colton Department of Public Works.
11.2 Traffic Control Plan for roads during construction period	Yes	Page 16 and Attachment M.	None		
11.3 Traffic impact of linear facility construction	Yes	Page 16	None		
11.4 Equipment transport route	Yes	Page 17	None		
11.5 Parking requirements – workforce and equipment	Yes	Page 17	None		See text.
12 Soil and Water Resources					
12.1 Wastewater volume, quality, treatment	Y	Page 18			The facility will have no waste water.
12.2 Status of permits for wastewater discharge or draft permit (WDR/NPDES)	Y	Page 18			Not required for sites with less than 5 acres of disturbance.
12.3 Draft Erosion Prevention and Sedimentation Control Plan or Mitigation Strategy	Y	Page 18	This is a biologically sensitive area and the introduction of weeds would detrimental to the species.	**SOIL&WATER-5**	

Application Requirement	Y/N	Application pages	Significant Issues	Special Conditions	Comments
12.4 Spill Prevention/Water Quality Protection Plans	Y	Attachment M Page 3	Storm water runoff from facility is not routed to a separation sump.	**SOIL&WATER-6**	SWPPP is needed for operation and construction.
13 Cultural Resources					
13.1 Identification of known historic/prehistoric sites	Y	19	None	None	None
13.2 Proposed mitigation if required	Y	19	None	Standard Condition **CUL-1** will apply. Standard Condition **CUL-2** will not apply.	None
14 Paleontological Resources					
14.1 Identification of known paleontologic sites	Y	20	None	None	The applicant has yet to submit a copy of the exiting paleontological resources review results for the substation.
14.2 Proposed mitigation if required	Y	20	None	None	None.
15 Visual resources					
15.1 Plan for landscaping and screening to meet local requirements	Yes	Page 21	None		The City of Colton does not require additional landscaping or screening for the project.

Application Requirement	Y/N	Application pages	Significant Issues	Special Conditions	Comments
15.2 Full size color photo of the site and rendering of proposed facility with any proposed visual mitigation if available	Yes	Attachment D.	None		The City of Colton does not require additional landscaping or screening for the project.
16 Transmission System Engineering					
16.1 Conformance with Title 8, High Voltage Electrical Safety Orders, CPUC General Order 95 (or NESC), CPUC Rule 21, PTO Interconnection Requirements, and National Electric Code	Yes	p. 22	None		

ALLIANCE COLTON DREWS SUBSTATION PROJECT GENERAL CONDITIONS INCLUDING COMPLIANCE MONITORING AND CLOSURE PLAN

INTRODUCTION

General conditions (and the Compliance Plan) have been established as required by Public Resources Code section 25532. The plan provides a means for assuring that the facility is constructed, operated and closed in accordance with applicable environmental and public health and safety laws, ordinances, regulations, and standards, and with conditions of certification as approved by the California Energy Commission (Energy Commission).

The Compliance Plan is comprised of general conditions and technical (environmental and engineering) conditions as follows:

- General conditions that set forth the duties and responsibilities of the Compliance Project Manager (CPM), the project owner, and delegate agencies; the requirements for handling confidential information and maintaining the compliance record; procedures for settling disputes and making post-certification changes; administrative procedures to verify the compliance status; and requirements for facility closure plans.

- Specific conditions for each technical area contain the measures required to mitigate potential adverse impacts associated with construction, operation and closure to an insignificant level. Specific conditions may also include a verification provision that describes the method of verifying that the condition has been satisfied.

DEFINITIONS

To ensure consistency, continuity and efficiency, the following terms, as defined, apply to all technical areas, including Conditions of Certification:

SITE MOBILIZATION

Moving trailers and related equipment onto the site, usually accompanied by minor ground disturbance, grading for the trailers and limited vehicle parking, trenching for utilities, installing utilities, grading for an access corridor, and other related activities. Ground disturbance, grading, etc. for site mobilization are limited to the portion of the site necessary for placing the trailers and providing access and parking for the occupants. Site mobilization is for temporary facilities and is therefore not considered construction.

GROUND DISTURBANCE

Onsite activity that results in the removal of soil or vegetation, boring, trenching or alteration of the site surface. This does not include driving or parking a passenger vehicle, pickup truck, or other light vehicle, or walking on the site.

GRADING

Onsite activity conducted with earth-moving equipment that results in alteration of the topographical features of the site such as leveling, removal of hills or high spots, or moving of soil from one area to another.

CONSTRUCTION

[From Public Resources Code section 25105.] Onsite work to install permanent equipment or structures for any facility. Construction does **not** include the following:

a. The installation of environmental monitoring equipment.

b. A soil or geological investigation.

c. A topographical survey.

d. Any other study or investigation to determine the environmental acceptability or feasibility of the use of the site for any particular facility.

e. Any work to provide access to the site for any of the purposes specified in a, b, c, or d.

TERM OF CERTIFICATION

Certification is for the life of the project if at the end of the power purchase agreement with either the California Independent System Operator or the California Department of Water Resources the project owner can verify that the project meets the following continuation criteria:

- the project is permanent, rather than temporary or mobile in nature;
- the project owner demonstrates site control;
- the project owner has secured permanent emission reduction credits (ERCs) approved by SCAQMD and the California Air Resources Board (CARB) to fully offset project emissions for its projected run hours prior to expiration of any temporary ERCs obtained from CARB or SCAQMD;
- the project is in current compliance with all Energy Commission permit conditions specified in the final decision;
- the project is in current compliance with all conditions contained in the Permit to Construct and Permit to Operate issued by SCAQMD for the project; and
- the project continues to meet BACT requirements under SCAQMD and CARB requirements.

The project shall expire if these continuation criteria are not met. At least six months prior to the expiration of the power purchase agreement with the Department of Water Resources (DWR), or prior to the expiration of the Summer Reliability Agreement with the California Independent System Operator if no DWR contract is signed, the project owner shall provide verification that these conditions have been meet.

In addition, the project owner shall submit a report after completion of the first three years in operation, as described below.

COMPLIANCE PROJECT MANAGER (CPM) RESPONSIBILITIES

A CPM will oversee the compliance monitoring and shall be responsible for:

1. ensuring that the design, construction, operation, and closure of the project facilities is in compliance with the terms and conditions of the Commission Decision;
2. resolving complaints;
3. processing post-certification changes to the conditions of certification, project description, and ownership or operational control;
4. documenting and tracking compliance filings; and,
5. Ensuring that the compliance files are maintained and accessible.

The CPM is the contact person for the Energy Commission and will consult with appropriate responsible agencies and the Energy Commission when handling disputes, complaints and amendments.

The Commission has established a toll free compliance telephone number of **1-800-858-0784** for the public to contact the Commission about power plant construction or operation-related questions, complaints or concerns.

Pre-Construction and Pre-Operation Compliance Meeting

The CPM may schedule pre-construction and pre-operation compliance meetings prior to the projected start-dates of construction, plant operation, or both. The purpose of these meetings will be to assemble both the Energy Commission's and the project owner's technical staff to review the status of all pre-construction or pre-operation requirements contained in the Energy Commission's conditions of certification to confirm that they have been met, or if they have not been met, to ensure that the proper action is taken.

Energy Commission Record

The Energy Commission shall maintain as a public record, in either the Compliance file or Docket file, for the life of the project (or other period as required):

1. All documents demonstrating compliance with any legal requirements relating to the construction and operation of the facility;

2. All complaints of noncompliance filed with the Energy Commission; and,

3. All petitions for project modifications and the resulting staff or Energy Commission action taken.

PROJECT OWNER RESPONSIBILITIES

It is the responsibility of the project owner to ensure that the general compliance conditions and the conditions of certification are satisfied. The general compliance conditions regarding post-certification changes specify measures that the project owner must take when requesting changes in the project design, compliance conditions, or ownership. Failure to comply with any of the conditions of certification or the general compliance conditions may result in reopening of the case and revocation of Energy Commission certification, an administrative fine, or other action as appropriate.

Access

The CPM, responsible Energy Commission staff, and delegate agencies or consultants, shall be guaranteed and granted unrestricted access to the power plant site, related facilities, project-related staff, and the records maintained on site, for the purpose of conducting audits, surveys, inspections, or general site visits. Although the CPM will normally schedule site visits on dates and times agreeable to the project owner, the CPM reserves the right to make unannounced visits at any time.

Compliance Record

The project owner shall maintain project files on-site or at an alternative site approved by the CPM, for the life of the project. The files shall contain copies of all "as-built" drawings, all documents submitted as verification for conditions, and all other project-related documents for the life of the project, unless a lesser period is specified by the conditions of certification.
Energy Commission staff and delegate agencies shall, upon request to the project owner, be given unrestricted access to the files.

Compliance Reporting

The project owner shall submit status reports to the CPM every two weeks indicating its progress in meeting milestones for procuring necessary project components and all required approvals for construction and operation of the facility by August 1, 2001. The first of these reports will be due two weeks after certification of the project by the Energy Commission.

Start of Operations

The Alliance Colton Drews Substation Project (Drews) shall be on-line by the expected date of operation of August 1, 2001, or the earliest possible date thereafter, but no later than September 30, 2001. If Drews is not operational by September 30, 2001, the Energy Commission will conduct a hearing to determine the cause of the delay and

consider what sanctions, if any, are appropriate. If the Energy Commission finds that the project owner failed to proceed with due diligence to have Drews in operation by September 30, 2001, the Energy Commission will set a specific date by which Drews must be brought on-line as a condition precedent to continue the certification.

Three-Year Review

No later than 15 days after completion of the first three years in operation, the project owner shall submit to the Energy Commission a report of operations that includes a review of Drew's compliance with the terms and conditions of certification, the number of hours in operation, and the demand for power from the facility during the three year period.

Compliance Verifications

Condition of certification may have appropriate means of "verification". The verification describes the Energy Commission's procedure(s) to ensure post-certification compliance with adopted conditions. The verification procedures, unlike the conditions, may be modified, as necessary by the CPM, without full Energy Commission approval.

Verification of compliance with the conditions of certification can be accomplished by:

1. reporting on the work done and providing the pertinent documentation in monthly and/or annual compliance reports filed by the project owner or authorized agent as required by the specific conditions of certification;
2. appropriate letters from delegate agencies verifying compliance;
3. Energy Commission staff audits of project records; and/or
4. Energy Commission staff inspections of mitigation and/or other evidence of mitigation.

A cover letter from the project owner or authorized agent is required for all compliance submittals and correspondence pertaining to compliance matters. The cover letter subject line shall identify the involved condition(s) of certification by condition number and include a brief description of the subject of the submittal.

All submittals shall be addressed as follows:

Compliance Project Manager
California Energy Commission
1516 Ninth Street (MS-2000)
Sacramento, CA 95814

Confidential Information

Any information, which the project owner deems confidential shall be submitted to the Energy Commission's Docket with an application for confidentiality pursuant to Title 20,

California Code of Regulations, section 2505(a). Any information, which is determined to be confidential, shall be kept confidential as provided for in Title 20, California Code of Regulations, section 2501 et. seq.

Reporting of Complaints, Notices, and Citations

Prior to the start of construction, the project owner must send a letter to property owners living within 500 feet of the project notifying them of a telephone number to contact project representatives with questions, complaints or concerns. If the telephone is not staffed 24 hours per day, it shall include automatic answering, with date and time stamp recording. The telephone number shall be posted at the project site and easily visible to passersby during construction and operation.

The project owner shall report and provide copies of all complaint forms, notices of violation, notices of fines, official warnings, and citations, within 10 days of receipt, to the CPM.

GENERAL CONDITIONS FOR FACILITY CLOSURE

In order to ensure that a planned facility closure does not create adverse impacts, plant closure must be consistent with all applicable laws, ordinances, regulations, standards (LORS), and local/regional plans in existence at the time of closure. To ensure adequate review of a planned project closure, the project owner shall submit a proposed facility closure plan to the Energy Commission for review and approval at least three months prior to commencement of closure activities (or other period of time agreed to by the CPM).

DELEGATE AGENCIES

To the extent permitted by law, the Energy Commission may delegate authority for compliance verification and enforcement to various state and local agencies that have expertise in subject areas where specific requirements have been established as a condition of certification. If a delegate agency does not participate in this program, the Energy Commission staff will establish an alternative method of verification and enforcement. Energy Commission staff reserves the right to independently verify compliance.

In performing construction and operation monitoring of the project, the Energy Commission staff acts as, and has the authority of, the Chief Building Official (CBO). The Commission staff retains this authority when delegating to a local CBO. Delegation of authority for compliance verification includes the authority for enforcing codes, the responsibility for code interpretation where required, and the authority to use discretion, as necessary, in implementing the various codes and standards.

ENFORCEMENT

The Energy Commission's legal authority to enforce the terms and conditions of its Decision is specified in Public Resources Code sections 25534 and 25900. The Energy

Commission may amend or revoke the certification for any facility, and may impose a civil penalty for any significant failure to comply with the terms or conditions of the Commission Decision. The specific action and amount of any fines the Commission may impose would take into account the specific circumstances of the incident(s). This would include such factors as the previous compliance history, whether the cause of the incident involves willful disregard of LORS, inadvertence, unforeseeable events, and other factors the Commission may consider.

Moreover, to ensure compliance with the terms and conditions of certification and applicable laws, ordinances, regulations, and standards, delegate agencies are authorized to take any action allowed by law in accordance with their statutory authority, regulations, and administrative procedures.

NONCOMPLIANCE COMPLAINT PROCEDURES

Any person or agency may file a complaint alleging noncompliance with the conditions of certification. Such a complaint will be subject to review by the Energy Commission pursuant to Title 20, California Code of Regulations, section 1230 et. seq., but in many instances the noncompliance can be resolved by using the informal dispute resolution process. Both the informal and formal complaint procedures, as described in current State law and regulations, are described below. They shall be followed unless superseded by current law or regulations.

INFORMAL DISPUTE RESOLUTION PROCEDURE

The following procedure is designed to informally resolve disputes concerning interpretation of compliance with the requirements of this compliance plan. The project owner, the Energy Commission, or any other party, including members of the public, may initiate this procedure for resolving a dispute. Disputes may pertain to actions or decisions made by any party including the Energy Commission's delegate agents.

This procedure may precede the more formal complaint and investigation procedure specified in Title 20, California Code of Regulations, section 1230 et. seq., but is not intended to be a substitute for, or prerequisite to it. This informal procedure may not be used to change the terms and conditions of certification as approved by the Energy Commission, although the agreed upon resolution may result in a project owner proposing an amendment.

The procedure encourages all parties involved in a dispute to discuss the matter and to reach an agreement resolving the dispute. If a dispute cannot be resolved, then the matter must be referred to the full Energy Commission for consideration via the complaint and investigation process. The procedure for informal dispute resolution is as follows:

Request for Informal Investigation

Any individual, group, or agency may request the Energy Commission to conduct an informal investigation of alleged noncompliance with the Energy Commission's terms

and conditions of certification. All requests for informal investigations shall be made to the designated CPM.

Upon receipt of a request for informal investigation, the CPM shall promptly notify the project owner of the allegation by telephone and letter. All known and relevant information of the alleged noncompliance shall be provided to the project owner and to the Energy Commission staff. The CPM will evaluate the request and the information to determine if further investigation is necessary. If the CPM finds that further investigation is necessary, the project owner will be asked to promptly investigate the matter and within seven (7) working days of the CPM's request, provide a written report of the results of the investigation, including corrective measures proposed or undertaken, to the CPM. Depending on the urgency of the noncompliance matter, the CPM may conduct a site visit and/or request the project owner to provide an initial report, within forty-eight (48) hours, followed by a written report filed within seven (7) days.

Request for Informal Meeting

In the event that either the party requesting an investigation or the Energy Commission staff is not satisfied with the project owner's report, investigation of the event, or corrective measures undertaken, either party may submit a written request to the CPM for a meeting with the project owner. Such request shall be made within fourteen (14) days of the project owner's filing of its written report. Upon receipt of such a request, the CPM shall:

1. Immediately schedule a meeting with the requesting party and the project owner, to be held at a mutually convenient time and place and secure the attendance of appropriate Energy Commission staff and staff of any other agency with expertise in the subject area of concern as necessary;
2. Conduct such meeting in an informal and objective manner; and,
3. After the conclusion of such a meeting, promptly prepare and distribute copies to all in attendance and to the project file, a summary memorandum which fairly and accurately identifies the positions of all parties and any conclusions reached.

FORMAL DISPUTE RESOLUTION PROCEDURE-COMPLAINTS AND INVESTIGATIONS

If either the project owner, Energy Commission staff, or the party requesting an investigation is not satisfied with the results of the informal dispute resolution process, such party may file a complaint or a request for an investigation with the Energy Commission's General Counsel. Disputes may pertain to actions or decisions made by any party including the Energy Commission's delegate agents. Requirements for complaint filings and a description of how complaints are processed are in Title 20, California Code of Regulations, section 1230 et. seq.

The Chairman, upon receipt of a written request stating the basis of the dispute, may grant a hearing on the matter, consistent with the requirements of noticing provisions. The Commission shall have the authority to consider all relevant facts involved and

make any appropriate orders consistent with its jurisdiction (Title 20, California Code of Regulations, sections 1232 - 1236).

POST CERTIFICATION CHANGES TO THE COMMISSION DECISION: AMENDMENTS, INSIGNIFICANT PROJECT CHANGES

The project owner must petition the Energy Commission, pursuant to Title 20, California Code of Regulations, section 1769, to 1) delete or change a condition of certification; 2) modify the project design or operational requirements; and 3) transfer ownership or operational control of the facility.

A petition is required for **amendments** and for **insignificant project changes**. In all cases, the petition or letter requesting a change should be submitted to the Commission's Docket in accordance with Title 20, California Code of Regulations, section 1209. The criteria that determine which type of change process applies are explained below.

EXECUTIVE ORDER

Executive Order D-25-01 issued by the Governor of the State of California, which accelerates processing of certain project modifications, will be applied to all qualifying project modifications requested until December 31, 2001.

AMENDMENT

A proposed project modification will be processed as an amendment if it involves a change to a condition of certification, an ownership or operator change, or a potential significant environmental impact.

INSIGNIFICANT PROJECT CHANGE

The proposed modification will be processed as an insignificant project change if it does not require changing the language in a condition of certification, have a potential for significant environmental impact, and cause the project to violate laws, ordinances, regulations or standards.

VERIFICATION CHANGE

Changes to condition verifications require CPM approval and may require either a written or oral request by the project owner. The CPM will provide written authorization of verification changes.

TECHNICAL AREA CONDITIONS OF CERTIFICATION

NOISE

Standard Condition of Certification **NOISE-1** is not required because the City of Colton approved a Major Variance allowing the project to exceed the local noise standards.

NOISE-2 Prior to the start of rough grading, the project owner shall notify all residents within one mile of the site of the start of construction and will provide a complaint resolution process.

Verification: The project owner shall provide the CPM with a statement, attesting that the above notification has been performed.

NOISE-3 Throughout the construction and operation of the project, the project owner shall document, investigate, evaluate, and attempt to resolve all project related noise complaints.

Verification: Within 30 days of receiving a noise complaint, the project owner shall file a copy of the Noise Complaint Resolution Form, or similar instrument approved by the CPM, with the County Environmental Health Department, and with the CPM, documenting the resolution of the complaint. If mitigation is required to resolve a complaint, and the complaint is not resolved within a 30-day period, the project owner shall submit an updated Noise Complaint Resolution Form when the mitigation is finally implemented.

NOISE-4 Night construction activities may be authorized by the CPM if they are consistent with local noise ordinances. Night construction, or specific night construction activities may be disallowed by the CPM if it results in significant impact to the surrounding community.

Verification: Noise monitoring and surveys may be conducted if complaints are reported by residence in the surrounding area of the project site.

HAZARDOUS MATERIALS MANAGEMENT

HAZ-1 The project owner shall not use any hazardous material in reportable quantities except those identified by type and quantity in the application unless approved by the CPM.

Verification: The project owner shall provide in the Annual Compliance Report a list of hazardous materials used at the facility in reportable quantities.

HAZ-2 The project owner shall submit both the Business Plan and Risk Management Plan to the CPM for review and comment, and shall also submit these plans and/or procedures to the County Fire Department for approval.

Verification: 30 days (or a CPM-approved alternative timeframe) prior to the initial delivery of any hazardous materials in reportable quantities to the facility, the project owner shall submit the Business and Risk Management Plan to the CPM for review and comment. At the same time, the project owner shall submit these plans to the County Fire Department for approval. The project owner shall also submit evidence to the CPM that the County Fire Department approved of these plans, when available.

WASTE

WASTE-1 The project owner shall obtain a hazardous waste generator identification number from the Department of Toxic Substances Control prior to producing any hazardous waste.

Verification: The project owner shall keep its copy of the identification number on file at the project site.

WASTE-2 The project owner shall have an environmental professional available for consultation during soil excavation and grading activities. The environmental professional shall be given full authority to oversee any earth moving activities that have the potential to disturb contaminated soil. The environmental professional shall meet the qualifications of such as defined by the American Society for Testing and Materials designation E 1527-97 Standard Practice for Phase I Environmental Site Assessments.

Verification: If potentially contaminated soil is unearthed during excavation at either the proposed site or linear facilities, the environmental professional shall inspect the site, determine the need for sampling to confirm the nature and extent of contamination, and make a recommended course of action. The environmental professional shall have the authority to suspend construction activity at that location. If, in the opinion of the environmental professional, remediation is to be required, the project owner shall consult with the CPM and a decision will be made by the CPM within 24 hours as to how to proceed.

BIOLOGICAL

BIO-1 The project permitted under this emergency process will avoid all impacts to legally protected species and their habitat on site, adjacent to the site and along the right of way for linear facilities.

BIO-2 The project permitted under this emergency process will avoid all impacts to designated critical habitat (wetlands, vernal pools, riparian habitat, preserves) on site or adjacent to the site.

BIO-3 The project permitted under this emergency process will avoid all impacts to locally designated sensitive species and protected areas.

BIO-4 The project permitted under this emergency process will reduce risk of large bird electrocution by electric transmission lines and any interconnection between structures, substations and transmission lines by using construction methods identified in "Suggested Practices for Raptor Protection on Power Lines: The State of the Art in 1996" (APLIC 1996).

BIO-5 The Designated Biologist (DB), a person knowledgeable of the local/regional biological resources and the Compliance Project Manager (CPM) will have access to the site and linear rights-of-way at any time prior to and during construction and have the authority to halt construction in an area necessary to protect a sensitive biological resource at any time.

Verification: If the Designated Biologist halts construction, the action will be reported immediately to the CPM along with the recommended implementation actions to resolve the situation. If listed species are encountered during construction additional agency consultation may be required. Throughout construction, the project owner shall report on items one through five above if identified resources are found or impacted.

BIO-6 Upon decommissioning the site, the biological resource values will be reestablished at pre-construction levels or better.

BIO-7 Construction of the site and of the gas pipeline shall not begin until the CPM approved Designated Biologist is available to be on site. The Designated Biologist or a CPM approved Biological Monitor shall be onsite during the gas pipeline installation and ensure that the agreement between the USFWS and Alliance is followed.

Protocol: The Designated Biologist must meet the following minimum qualifications:

a. A Bachelor's Degree in biological sciences, zoology, ecology, botany, or related field;

b. At least three years of experience in field biology or current certification of a nationally recognized biological society;

c. At least one year of experience with biological resources found in or near the project site; or

d. An ability to demonstrate to the satisfaction of the CPM the appropriate education and experience for the biological resources tasks that must be addressed during project construction and operation.

Verification: Prior to ground disturbance activities, the project owner shall submit for the CPM for approval, the name, qualifications, address, and telephone number of the individual selected by the project owner as the Designated Biologist.

BIO-8 The project owner's Construction Manager shall act on the advice of the Designated Biologist (DB) to ensure conformance with the Biological Resources Conditions of Certification.

Protocol: The project owner's Construction Manager shall halt, if directed by the DB, all construction activities to assure that potentially significant biological resource impacts are avoided.

Verification: Immediately upon the DB notification to halt construction, the project owner shall notify the CPM of the circumstances and actions being taken to resolve the problem.

BIO-9 The project owner shall develop and implement a CPM approved worker Environmental Awareness Program in which each of the employees, as well as employees of contractors and subcontractors who work on the project site or related facilities during construction and operation, are informed about the sensitive biological resources associated with the project area.

Protocol: The Worker Environmental Awareness Program must discuss the locations and types of sensitive resources on the project site and adjacent areas, and discuss the prohibition of personnel and vehicles in such areas.

Each participant in the Worker Environmental Awareness Program shall sign a statement declaring that the individual understands and shall abide by the guidelines set forth.

Verification: The signed statements shall be kept on file by the project owner and made available for examination by the CPM. During project operation, signed statements for active project operational personnel shall be kept on file for the duration of their employment.

BIO-10 During all activities associated with the Drews facility, equipment laydown shall be within the substation walls or on U.S. Fish and Wildlife Service (USFWS) and CPM approved areas. Personal vehicles shall be parked outside the substation gate adjacent to Slover Avenue and Pepper Avenue. Vehicles, equipment, and crew members will use and remain on USFWS and CPM approved areas or in the substation.

Verification: The CPM will approve parking areas. The Designated Biologist and/or security guard will ensure that equipment and vehicles stay in designated areas

BIO-11 Dust shall be abated during construction activities in the substation and outside the substation walls to avoid impacting the Delhi Sands flower-loving fly habitat.

Verification: Applicant shall provide dust abatement during construction on a daily basis whenever necessary in accordance with the CPM.

BIO-12 If additional lighting is to be installed at the facility, it shall be limited to inside the walls of the facility and be screened from the outside habitat.

Verification: Lighting shall be focused into the facility and not the surrounding habitat. If additional lighting is required by the facility, the plans shall be approved by the CPM prior to installation.

BIO-13 The gas pipeline shall be installed in accordance with the agreement made with USFWS to avoid the Delhi Sands flower-loving fly habitat.

Verification: The gas pipeline route and construction method shall be approved by the CPM prior to construction.

LAND USE

LAND–1 The project permitted under this emergency process will conform to all local, state and federal land use requirements, including, where applicable, general plan policies, zoning regulations, local development standards, easement requirements, encroachment permits, truck and vehicle circulation plan requirements, Federal Aviation Administration approval, and the Federal Emergency Management Agency National Flood Insurance Program.

Verification: Prior to start of construction or at a later time approved by the CPM, the project owner will submit to the CPM documentation verifying compliance with the above referenced land use requirements.

TRAFFIC AND TRANSPORTATION

TRANS-1 The project permitted under this emergency process shall comply with Caltrans and City/County limitations on vehicle sizes and weights. In addition, the project owner or its contractor shall obtain necessary transportation permits from Caltrans and all relevant jurisdictions for roadway use.

Verification: The project owner shall keep copies of any oversize and overweight transportation permits received at the project site.

TRANS-2 The project permitted under this emergency process shall comply with Caltrans and City/County limitations for encroachment into public rights-of-way and shall obtain necessary encroachment permits from Caltrans and all relevant jurisdictions.

Verification: The project owner shall keep copies of any encroachment permits received at the project site.

TRANS-3 The project permitted under this emergency process shall ensure that permits or licenses are secured from the California Highway Patrol and Caltrans for the transport of hazardous materials.

Verification: The project owner shall keep copies of all permits/licenses acquired by the project owner and subcontractors concerning the transport of hazardous substances at the project site.

TRANS-4 Following completion of construction of the power plant and all related facilities, the project owner shall return all roadways to original or as near original condition as possible.

SOIL & WATER RESOURCES

SOIL&WATER-1 Prior to ground disturbance, the project owner shall obtain CPM approval of a Storm Water Pollution Prevention Plan (SWPPP) as required under the General Storm Water Construction Activity Permit for the project.

Verification: Prior to ground disturbance, the project owner will submit a copy of the Storm Water Pollution Prevention Plan for the project to the CPM.

SOIL&WATER-2 Prior to ground disturbance, the project owner shall obtain CPM approval of an Erosion Prevention and Sedimentation Control Plan.

Verification: The Erosion Control and Storm Water Management Plan for the project shall be submitted to the CPM prior to ground disturbance.

SOIL&WATER-3 Prior to site mobilization, the project owner shall submit to the CPM, a copy of a valid water service agreement for water supplies for the project from an authorized water purveyor, or a copy of a valid well permit for the project from the appropriate licensing agency.

Verification: A copy of the water service agreement or well permit shall be submitted to the CPM prior to site mobilization.

Standard Condition of Certification **SOIL&WATER-4** is not required because the facility is less than five acres and is not anticipated to have any discharge.

SOIL& WATER-5 All BMP's such as straw wattles and straw bales shall be certified weed free.

SOIL&WATER-6 Prior to operation of the facility, the project owner shall obtain CPM approval of a Storm Water Pollution Prevention Plan (SWPPP) for operation of the facility.

Verification: Prior to operation of the facility, the project owner will submit a copy of the Storm Water Pollution Prevention Plan for the facility to the CPM. This may include an oil/water separator or some other method to protect water quality.

CULTURAL

CUL-1 The project certified under this emergency process shall not cause any significant impact to cultural resources on the power plant site or linear rights of way. No significant cultural resources have been identified in the Area of Potential Effect (APE). No on-site cultural resource monitoring is required for this proposed site. In the event of an inadvertent cultural find the following conditions apply:

1. The presence of subsurface archaeological resources is always a possibility in areas where only surface inspection has taken place. In the unlikely event that sub-surface archaeological remains are discovered during ground disturbing activities (i.e., grading and/or excavation), work in the area must halt and a qualified Cultural Resource Specialist will be contacted immediately to evaluate the significance of the find. The project manager, construction manager, and the Compliance Project Manager (CPM) will be notified if the resource is judged to be potentially significant, and the archaeologist may recommend further study.
2. In the event that suspected human remains are encountered, work must stop immediately within a radius of 100 feet (30 meters) of the discovery, and the San Bernardino County Coroner's Office will be notified within 24 hours of the find. If the skeletal remains are determined to be prehistoric, the Coroner's Office will contact the Native American Heritage Commission (NAHC) to identify the Most Likely Descendents (MLD). The MLD will be notified and will determine the most appropriate disposition of the remains and any associated artifacts.

Standard Condition of Certification **CUL-2** has not been included Because no cultural resources are expected to be encountered in this project.

VISUAL

VIS-1 Project structures treated during manufacture and all structures treated in the field, that are visible to the public, shall be painted in a neutral color consistent with the surrounding environment.

Verification: Prior to painting exposed services, the project owner shall identify the selected color for CPM approval.

VIS-2 The project owner shall design and install all lighting such that light bulbs and reflectors are not visible from public viewing areas and illumination of the vicinity and the nighttime sky is minimized. Lighting must also be installed consistent with any local requirements.

Standard Condition of Certification **VIS-3** is not required because the City of Colton is not requiring additional landscaping or screening for the project.

FACILITY DESIGN

GEN-1 The project owner shall design, construct and inspect the project in accordance with the 1998 California Building Code (CBC) and all other applicable LORS in effect at the time initial design plans are submitted to the CBO for review and approval.

Verification: Within 30 days (or a lesser number of days mutually agreed to by the project owner and the CBO) after receipt of the Certificate of Occupancy, the project owner shall submit to the CPM a statement of verification, signed by the responsible design engineer, attesting that all designs, construction, installation and inspection requirements of the applicable LORS and the Energy Commission's Decision have been met. The project owner shall provide the CPM a copy of the Certificate of Occupancy within 30 days of receipt from the CBO [1998 CBC, Section 109 – Certificate of Occupancy.] The project owner shall keep copies of plan checks and CBO inspection approvals at the project site.

PALEONTOLOGICAL RESOURCES

Standard Condition of Certification **PALEO-1** has not been included due to slight possibility that paleontological resources could be encountered in project area.

PALEO-2 The project has been determined to have the potential to adversely affect significant paleontological resources and the project owner shall ensure the completion of the following actions/activities:

1. Provide a paleontological specialist who will have access to the site and linear rights-of-way at any time prior to and during ground disturbance.
2. The paleontological specialist will provide training to appropriate construction personnel at the site, will install avoidance measures (as necessary), and will be present during appropriate ground disturbing activities. The cultural specialist has the authority to halt construction at a location if a significant paleontological resource is found. If resources are discovered and the specialist is not present, the project owner will halt construction at that location and will contact the specialist immediately. The specialist will consult with the CPM and a decision will be made by the CPM within 24-hours as to how to proceed.
3. The project owner shall allow time for the paleontological specialist to protect significant resource finds, and pay all fees necessary to protect any significant resources.

Verification: Throughout construction, the project owner shall inform the CPM concerning any substantive activity related to items 1 through 3 above.

TRANSMISSION SYSTEM ENGINEERING, SAFETY AND RELIABILITY

TSE-1 The project owner shall ensure that the design, construction and operation of the proposed transmission facilities will conform to requirements listed below:

1. The power plant switchyard, outlet line and termination shall meet or exceed the electrical, mechanical, civil and structural requirements of CPUC General Order 95, CPUC Rule 21, Title 8, California Code of Regulations (CCR), Articles 35, 36 and 37 of the, "High Voltage Electric Safety Orders", Title 8 CCR, Sections 2700-2974, CPUC Decision 93-11-013, Federal Communications Commission Part 15, Public Resources Code 4292-4296, and National Electric Code (NEC).

Verification: Within 15 days after cessation of construction the project owner shall provide a statement to the CPM from the registered engineer in responsible charge (signed and sealed) that the switchyard and transmission facilities conform to the above listed requirements.

WORKER AND FIRE SAFETY

WORKER SAFETY-1 The project owner must comply with all requirements in Title 8 of the California Code of Regulations, beginning with Part 450 (8 CCR Part 450 et seq).

Verification: The project owner shall submit to the CPM a letter attesting to compliance with the above and shall report any violations to the CPM.

AIR QUALITY

AQ-1 Prior to the commencement of project construction, the project owner shall prepare a Construction Fugitive Dust Mitigation Plan that will specifically identify fugitive dust mitigation measures that will be employed for the construction of the project and related facilities.

Protocol: Measures that should be addressed include the following:

- the identification of the employee parking area(s) and surface of the parking area(s);
- the frequency of watering of unpaved roads and disturbed areas;
- the application of chemical dust suppressants;
- the stabilization of storage piles and disturbed areas;
- the use of gravel in high traffic areas;
- the use of paved access aprons;
- the use of posted speed limit signs;
- the use of wheel washing areas prior to large trucks leaving the project site;

- the methods that will be used to clean tracked-out mud and dirt from the project site onto public roads; and
- for any transportation of borrowed fill material, the use of covers on vehicles, wetting of the material, and insuring appropriate freeboard of material in the vehicles.

Verification: The project owner shall submit to the CPM a letter attesting to compliance with the above and shall report any violations to the CPM.

AQ-2 The project owner shall comply with the terms and conditions of the Authority to Construct and the Permit to Operate issued by the South Coast Air Quality Management District, as modified by any Compliance Orders issued by SCAQMD relating to this project.

Verification: In the event that the air district finds the project to be out of compliance with the terms and conditions of the Authority to Construct, the project owner shall notify the CPM of the violation, and the measures taken to return to compliance, within five days.

AQ-3 The project owner shall operate Drews in compliance with all Best Available Control Technology (BACT) standards imposed by the Air District in its Authority to Construct permit, with the exception of an initial period of operation if the Air District issues a Compliance Order allowing operation of the facility with NOx emissions up to 25 ppm. The length of this initial period shall be specified in the Compliance Order. Failure to meet these standards will result in a finding that the project owner is out of compliance with the certification.

ALLIANCE COLTON DREWS SUBSTATION PROJECT
EMERGENCY PERMIT EVALUATION PREPARATION TEAM
CALIFORNIA ENERGY COMMISSION

Kevin Kennedy ..... Project Manager

Jim Bartridge ..... Assistant Project Manager, Land Use, Noise, Transportation, Visual

Mary Dyas ..... Project Assistant

Jeff Ogata ..... Legal Counsel

Christopher Meyer ..... Compliance Manager

Caprice Harper ..... Cultural Resources

Bob Anderson ..... Paleontologic Resources

Danielle Muir ..... Biological Resources

Steve Baker ..... Facility Design

Rick Tyler ..... Hazardous Materials

Joe Crea ..... Soil and Water Resources

Mark Hesters ..... Transmission Engineering

APPENDIX A

NOTICE OF INTENT TO ISSUE PERMIT PURSUANT TO AQMD RULES 212 AND 3006

This notice is to inform you that the South Coast Air Quality Management District (AQMD) has received and reviewed permit applications for two power generation facilities to be operated by Alliance Colton LLC. The AQMD intends to issue a facility permit for each facility at the end of this 30-day public comment and review period and after the applicant demonstrates full compliance with all requirements.

The AQMD is the air pollution control agency for the four county region including Orange County and parts of Los Angeles, Riverside and San Bernardino Counties. Anyone wishing to install or modify equipment that could control or be a source of air pollution within this region must first obtain a permit from the AQMD. Under certain circumstances, before a permit is granted, a public notice, such as this, is prepared by the AQMD and distributed by the applicant.

The AQMD has evaluated the permit applications listed below for the following two facilities and determined that it meets all applicable AQMD rules and regulations subject to the conditions described below:

FACILITY:	Alliance Colton, LLC Drews Substation 559 South Pepper Ave. Colton, CA 92324	Alliance Colton, LLC Century Substation 661 South Cooley Dr. Colton, CA 92324

CONTACT: Brian O'Neill
Vice President
Alliance Colton, LLC
7950 South Lincoln Street, Suite 114
Littleton, CO 80122

AQMD APPLICATION NUMBERS

DREWS SUBSTATION

383349	Turbine #1
383350	Turbine #2
383351	Turbine #3
383352	Turbine #4
383880	Ammonia storage tank
383881	Air pollution control system #1
383882	Air pollution control system #2
383883	Air pollution control system #3
383884	Air pollution control system #4
383879	Title V application

CENTURY SUBSTATION

383353	Turbine #1
383354	Turbine #2
383355	Turbine #3
383356	Turbine #4
383886	Ammonia storage tank
383887	Air pollution control system #1
383888	Air pollution control system #2
383889	Air pollution control system #3
383890	Air pollution control system #4
383885	Title V application

PROJECT DESCRIPTION

Each of the two projects consists of four new electric generating gas turbines and the associated air pollution control equipment. Each turbine has a nominal rating of 10.5 megawatts, totaling 42 megawatts for all four turbines at each facility. The two facilities are located at Drews substation and Century substation respectively, at the addresses indicated above. Both projects are expected to be operational by September 2001 and to supply electricity to the California electricity grid system and are being permitted pursuant to Governor Gray Davis' Executive Orders (D-24-01 and D-26-01). Both facilities have selected to operate under Regulation XX – RECLAIM for NOx pollutants. The proposed permits to construct will require these turbines to be equipped with air pollution control equipment that will meet the following emission levels: 5ppmv NOx @ 15%O_2, 6 ppmv CO @ 15% O_2, and 2 ppmv ROG @ 15% O_2. The air pollution control equipment will consist of either Selective Catalytic Reduction (SCR) with oxidation catalyst, XONON^{tm} combustor technology, or XONON^{tm} combustor technology with oxidation catalyst. If the SCR is utilized as the air pollution control equipment, ammonia will be used to react with NOx emissions in the exhaust gases; therefore, an ammonia storage tank is also being proposed for the SCR control option.

PROJECTED EMISSIONS

Due to the critical need for electricity this summer and since the construction schedule does not allow for full installation of air pollution control equipment prior to September 2001, in implementing the Governor's Executive Orders, the turbines will initially for the first few months be operated without air pollution control equipment and under a Compliance Order that Alliance Colton LLC will obtain from the AQMD. Upon achieving full operating load, the following emissions are expected for each facility from the operation of these turbines with and without air pollution control systems:

Pollutant	Controlled emissions Lbs/day	Uncontrolled emissions lbs/day
Nox	231	1158
CO	169	564
VOC	32	32
PM_{10}	79	79
SOx	41	41
NH_3	86*	0

* Assuming SCR will be utilized

Emissions from the proposed projects contain pollutants that are considered toxic under AQMD Rule 1401-New Source Review of Toxic Air Contaminants. Therefore, health risk assessments were performed for these projects. The health risk assessments use health protective assumptions in estimating actual risk to an individual person. Even assuming this health protective condition, the evaluations show that the maximum individual cancer risk increases from the projects are less than one-in-one-million. These levels of estimated risk are below the threshold limits established for new or modified sources.

The projects will not cause or contribute to violations of any state or federal ambient air quality standard for any attainment pollutants.

The AQMD will issue the permits to construct for the equipment described above after the applicant demonstrates full compliance with all applicable rules and regulations meeting the following requirements:

- Alliance Colton LLC must provide emission offsets, or provide contractual agreement to provide emission offsets for NOx emissions. Emission offsets will either be in the form of RECLAIM Trading Credits in the total amount of 37,467 pounds for the first RECLAIM compliance year or be purchased from the State-funded Emission Reduction Credit Bank, established pursuant to the Governor's Executive Order D-24-01.
- Conduct additional refined modeling to demonstrate compliance with the air quality standard for Significant Changes in Air Quality Concentration of 20 $\mu g/m^3$ NOx.

These facilities are classified as a Federal Title V facilities and have filed application for a Title V permit. Pursuant to AQMD Rule 3006, any person may request a proposed permit hearing on an application for a Title V significant permit revision by filing with the Executive Officer a complete Hearing Request Form (Form 500G) for a proposed hearing within 15 days of the date of publication of notice. On or before the date the request is filed, the person requesting a proposed permit hearing must also send by first class a copy of the request to the facility address and contact person listed above.

The proposed permit and other information are available for public review at the Luque Branch Library, 294 E. "O" Street, Colton, CA 92324. Additional information including the facility owner's compliance history submitted to the AQMD pursuant to Section 42336, or otherwise known to the AQMD, based on credible information, is available at the AQMD for public review by contacting Mr. Chandra Bhatt at Engineering and

Compliance, South Coast Air Quality Management District, 21865 Copley Drive, Diamond Bar, CA 91865-4182, (909) 396-2653. Anyone wishing to comment on the air quality elements of these permits should submit the comments in writing within 30 days of the distribution/publication date. Submit written comments to the AQMD, attention Ms. Pang Mueller, Senior Engineering Manager. If you are concerned primarily about zoning decisions and the process by which the facility has been sited in this location, contact your local city or county planning department or the California Energy Commission at (916) 653-0062.

DISTRIBUTION DATE: March 29, 2001

APPENDIX B

PROPOSED AUTHORITY TO CONSTRUCT ISSUED BY THE SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT