

DOCKETED

Docket Number:	85-AFC-03C
Project Title:	Compliance - Application for Certification for Midway-Sunset Cogeneration Project
TN #:	236001
Document Title:	Midway Sunset Cogeneration Company - Compliance
Description:	Remove Requirements for MSCC to be a Cogeneration Facility.
Filer:	Greg Jans
Organization:	Midway Sunset Cogeneration Company
Submitter Role:	Applicant
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Project Title:	Midway Sunset Cogeneration Company - Compliance
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Document Title:	Request For Joint Petition To Amend to Delete AQ-15, EFF-1, EFF-2
Description:	Remove Requirements For MSCC To Be A Cogeneration Facility
Filer:	Greg Jans
Organization:	Midway Sunset Cogeneration Company
Submitter Role:	Acting Executive Director
Submission Date:	12/17/20
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Section 1 INTRODUCTION

1.1 BACKGROUND

Midway Sunset Cogeneration Company (MSCC) operates a cogeneration facility containing three combustion turbine generators, Unit A, Unit B and Unit C. MSCC files this Request For a Joint Petition To Amend¹ (Petition) to delete Condition of Certification AQ-15 which requires that MSCC "shall operate as a cogeneration facility pursuant to Public Resources Code Section 25134 for thermally enhanced oil recovery operations unless prior SJVUAPCD and Energy Commission approval is granted to operate otherwise." This Petition also includes the removal of EFF-1 requiring that MSCC "shall operate the facility as a cogeneration system as proposed in the Application for Certification (AFC) and certified by this Commission (i.e., operate in accordance with the definition of cogeneration contained in PRC Sections 25134(a) and (b); 18 CFR 292.205(a)(1) and (a)(2)(i)(B); 10 CFR 500.2¹. Condition EFF-2 references "compliance with the operational requirements identified in Condition 1." The removal of Condition EFF-1 effectively renders Condition EFF-2 superfluous therefore Condition EFF-2 can also be removed.

1.2 PURPOSE AND NEED FOR AMENDMENT, BENEFITS

The purpose of this Petition is to eliminate restrictions on MSCC's ability to supply electric power during high demand peak loads on the California electric grid when there is no steam demand by steam hosts. By definition, peaking units (units supplying electric power but no steam) operate on an "as needed" basis in support of the CAISO and California's electric grid. Steam demand by a steam host usually requires the steam supply to be regular and constant, thus eliminating the ability for peaking units to be cogeneration units (supplying steam and power on short term, non-regular basis).

¹ California Code of Regulations Section 1769.1 allows Staff and Project Owner to jointly petition the Commission for amendment to the Final Decision.

1.3 PERMITTING HISTORY OVERVIEW

The original MSCC design was for the three combustion turbine generators to run at baseload supplying maximum steam and power to neighboring oil leases and power to the California grid. Over the years, steam demand has declined and electric power demand has increased. In response, MSCC requested and received permit revisions allowing Units A and B to operate as cogeneration units (Producing electricity and steam) or as peaking units (producing electricity but not steam). Unit C remained as a base loaded cogeneration unit. The Commission's Final Decision contains two conditions, Condition AQ-15 and Condition EFF-1, that require the MSCC Facility operate as a cogeneration unit. Steam demand has lessened and MSCC no longer has a steam sales contract to produce steam as a cogeneration facility. MSCC submits this minor modification application to remove Condition AQ-15, Condition EFF-1 and Condition EFF-2 from the Commission's Final Decision. The removal of Conditions AQ-15, EFF-1 and EFF-2 does not affect emission allowances or any other conditions of the Final Decision. The electricity produced in the past by Units A and B, as peaking units, filled a high power demand by CAISO as support for the California electric grid. Removing the requirements that MSCC be a cogeneration facility, allows MSCC to continue supporting the grid as a peaking facility supplying power during times when it is most critical.