

October 20, 2004  
WEC 2004-093

**TURLOCK IRRIGATION DISTRICT**  
333 EAST CANAL DRIVE  
POST OFFICE BOX 949  
TURLOCK, CALIFORNIA 95381  
(209) 883-8300



Lance Shaw  
Compliance Project Manager  
02-AFC-4C  
California Energy Commission  
1516 Ninth Street, (MS 2000)  
Sacramento, CA 95814

**RE: WALNUT ENERGY CENTER AUTHORITY REVISION TO WEC  
AMENDMENT #2**

Dear Mr. Shaw:

On September 3, 2004, the California Energy Commission received a petition from Walnut Energy Center Authority ("WECA") to modify the Walnut Energy Center (WEC) Project, entitled "Amendment Number 2." The Commission's notice of the proposed Amendment Number 2 describes the proposed modifications follows:

Walnut Energy Center Authority (Authority), the project owner of the Walnut Energy Center Project submitted a petition to modify its water supply from potable water from the City of Turlock to poor quality groundwater until recycled water becomes available. The Authority plans to access the groundwater by drilling two shallow wells on either the WEC project site or the Turlock Irrigation District's equipment storage area near its Walnut Peaker Plant.

By this filing, WECA hereby seeks to revise and supplement the information set forth in Amendment Number 2 (hereinafter, this "Revised Amendment Number 2" or "Revised Amendment"). The information presented in this Revised Amendment is information that is in addition to, and does not change, the information presented in Amendment Number 2. Thus, this Revised Amendment supplements Amendment Number 2.

Specifically, this Revised Amendment modifies Condition Soil and Water-5 to allow the use of potable water for specific construction activities. Originally, WECA intended to install a temporary water pipeline from the TID groundwater well at the Walnut substation (located across the street from the WEC project) to the WEC project.

However, problems were encountered due to railroad company construction requirements for crossing under the railroad tracks adjacent to the Walnut Substation. As a result, WECA abandoned plans for constructing the temporary pipeline.



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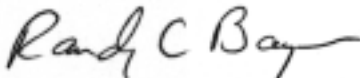
WECA is using the TID well water for dust suppression and will continue to do so. However, once construction of the potable water pipeline is complete, WECA would prefer to use that water source for hydrostatic testing and flushing of the project pipes, tanks, and equipment. Using this water from the newly constructed pipeline would enable WECA to fill the pipes and tanks quickly. The alternative is to fill them with the TID groundwater using a watering truck. WECA would minimize the use of the potable water as much as possible, by reusing it during hydrostatic testing activities.

Condition of Certification Soil and Water-5 states that TID groundwater from the Walnut Substation, will be used for construction. The modified condition language (attached) includes the use of potable water for the specific purpose of hydrostatic testing and flushing of pipes, tanks, and equipment. The attached condition language replaces the Soil & Water-5 language submitted on September 3, 2004.

The Revised Amendment is consistent with the requirements of Section 1769 of the Commission regulations. The information presented herein provides a complete description of the proposed modifications, including the new language for the only affected Condition, SOIL&WATER-5, as required by Section 1769(a)(1)(A). The Revised Amendment also includes a discussion of the necessity of the proposed changes, per Section 1769(a)(1)(B). The Revised Amendment is based on information that was not known during the time of the certification, and it does not undermine the assumptions, rationale, findings, or other bases for the final decision, per Sections 1769(a)(1)(C) and 1769(a)(1)(D). As discussed above, the use of water for hydrostatic testing will be a temporary, short-term impact during construction only and thus has no potential to create any significant impacts on the environment, and the hydrostatic testing will be completed in compliance with all applicable LORS, per Sections 1769(a)(1)(E) and 1769(a)(1)(F). The proposed amendment will not adversely affect the public, per Section 1769(a)(1)(G). The list of nearby property owners is the same as set forth in Amendment Number 2, and the proposed modification will have no adverse effects on nearby property owners, per Sections 1769(a)(1)(H) and 1769(a)(1)(I).

Should you have any questions, please do not hesitate to contact Susan Strachan at 530-757-7038 or me at 209-883-8232.

Sincerely,



Randy C. Baysinger, P.E.  
Assistant General Manager  
Power Generation Administration

Attachment

**SOILS&WATER-5:** SOILS&WATER-5: The project's water use shall be limited as described below. For purposes of this condition, the bridge period is defined as that period of time between the commencement of commercial operation of the WEC and the earlier of December 31, 2006 or when recycled water from the City of Turlock's wastewater treatment plant (WWTP) is available to the WEC.

Water for construction purposes shall consist of groundwater provided from the existing TID well at the Walnut substation. Potable water may also be used for construction for the purpose of hydrostatic testing and flushing of pipes, tanks, and equipment; provided however, the project owner shall minimize the use of potable water for this purpose to the maximum extent feasible. ~~Water, for all purposes, used during the bridge period shall consist of potable water provided by the City of Turlock, and shall not exceed 2 million gallons per day or 1,803 afy.~~

During the bridge period, water used for cooling and steam cycle make-up shall consist of poor quality groundwater from the upper aquifer supplied from one of two groundwater wells located on either the WEC project site or the TID equipment storage area on South Washington Road (the "South Washington" site). Only one of the two groundwater wells may be operated at any time (with the other well serving as a 100 percent redundant backup). Groundwater production from the wells shall not exceed two million gallons per day or 1,800 afy.

After the bridge period, water for operational and landscaping purposes used after the bridge period shall consist of recycled water from the City of Turlock WWTP and shall not exceed two million gallons per day or 1,800 afy. ~~Water for domestic needs after the bridge period shall consist of potable water provided by the City of Turlock and shall not exceed 3 afy.~~ Potable water Groundwater from the wells to be located either on the WEC project site or the South Washington site may also be used for back-up to the recycled water supply in the event of a short-term disruption in service and shall not exceed 51 afy two million gallons per day and. ~~Potable water~~ may also be used in the event that recycled water is not available to the project subject to the provisions of **SOILS&WATER-6**. Alternative water use shall be calculated using a 5-year rolling average.

Both during and after the bridge period, potable water from the City of Turlock shall be used for domestic uses (not to exceed 3 afy) and fire protection.

**Verification:** The project owner shall notify the Commission no later than May 31, 2006, and in monthly compliance reports thereafter, as to the status of recycled water production by the City of Turlock's WWTP until the WEC is using tertiary treated, recycled water for its non-potable operational and landscaping requirements. This notice shall include information on the issues related to recycled water production, DHS approval for recycled water service and the expected availability of recycled water supplies to WEC. After recycled water service is provided to WEC, the project owner shall report water use to the Commission as required by **SOILS&WATER-7**. Annual average water use shall be calculated using a 5-year rolling average of actual water use starting with the first year of operation. In the event of an interruption or reduction in recycled water service that requires the use of back-up potable water groundwater from the wells to be located either on the WEC project site or the South Washington site, the project owner shall notify the CPM, in writing, within 24 hours.