

CALIFORNIA ENERGY COMMISSION1516 NINTH STREET
SACRAMENTO, CA 95814-5512

DATE: June 8, 2005

TO: Interested Parties

FROM: Lance Shaw, Compliance Project Manager

**SUBJECT: WALNUT ENERGY CENTER PROJECT (02-AFC-4C)
NOTICE OF RECEIPT OF PETITION TO MODIFY HAZARDOUS
MATERIALS MANAGEMENT-5 (STORAGE OF SUBSTANCES)
AND PUBLIC REVIEW OF STAFF ANALYSIS**

On April 21, 2005, the California Energy Commission received a petition from Walnut Energy Center Authority (WECA) to amend the Energy Commission Decision for the Walnut Energy Center (WEC) Project.

WEC is a 250-megawatt natural gas-fired power plant located in the City of Turlock, in Stanislaus County. The power plant is currently under construction and is 69 percent complete.

DESCRIPTION OF PROPOSED PROJECT CHANGE

The proposed modification seeks to have the required minimum distances between stored flammable materials and sulfuric acid tanks changed from 100 feet to 50 feet on the project site to be consistent with staff's recommendations and Commission decisions regarding required separation in more recent sitting cases. The storage tank will actually be 85 feet from any stored flammable materials on site.

STAFF ANALYSIS

Energy Commission staff reviewed the petition and assessed the impacts of this proposal on environmental quality, public health and safety, and proposes revisions to condition of certification Haz-5. Hazardous Materials Management is the only technical area impacted by this petition.

Energy Commission staff had used its own judgment in originally recommending a 100 foot separation for the WEC and previous projects based on concerns regarding potential release of sulfuric acid through volatilization in a fire. Staff initially took a very conservative position in recommending a 100 foot setback based on a range of setbacks specified in applicable Unified Fire Codes (UFC) designed to protect storage tanks from various hazards. Such setback distances, including setbacks for public receptors, range from 25 feet to 100 feet. Staff believed that space was normally available to accommodate a 100 foot separation. This distance was acceptable to applicants and to the Energy Commission in earlier cases. Subsequently applicants raised concerns about

this distance in more recent cases and staff revisited its position regarding the necessary setback.

Existing codes are not designed to address staff's specific concerns, however, through evaluation of relevant codes, staff concluded that 30 feet is the minimum allowable setback distance and the 50 feet would be applicable to more hazardous strong class III oxidizers (sulfuric acid is a weaker class I oxidizer). Applicants in recent cases have not expressed concern over the conservative 50-foot distance. Staff now recommends the use of 50 feet as the minimum separation distance in new cases.

The 1997 UFC addresses separation distances applicable to hazardous materials storage tanks. UFC 8003.1.12 requires a minimum of 30 feet clearance between a hazardous material above-ground storage tank and combustible materials. UFC 8003.6.2.2 requires a minimum of 50 feet of separation between combustible materials and Class 3 oxidizers. UFC 8003.10.2.2 requires a distance of 75 feet from water-reactive solids or liquids and a point of human exposure (public receptors), and UFC 8003.14.2 requires 25 feet between corrosives and human exposures. Sulfuric acid is classified as a corrosive material and concentrated 93% sulfuric acid is also water-reactive (if water is added to this material, a violent exothermic reaction will occur).

In response to this amendment request, staff now recommends a minimum separation of 50 feet for the WEC project. This distance has been required by the Energy Commission in more recent power plant cases. Energy Commission staff has also determined that the minimum separation distances between stored sulfuric acid tanks and stored flammable materials of 50 feet will allow the project to remain in compliance with all applicable laws, ordinances, regulations, and standards pursuant to Title 20, California Code of Regulations, Section 1769 and no adverse environmental impacts will result from this change. It is staff's conclusion that reducing the distance separating the sulfuric acid tank from stored flammable materials to a minimum of 50 feet does not significantly increase the risk of public exposure from an accidental sulfuric acid release.

PROPOSED REVISION TO CONDITION OF CERTIFICATION

(Deleted text is in ~~strike through~~, new text is **underlined**). There are no changes to the verification.

HAZ-5: The project owner shall ensure that no flammable material is stored within **50** ~~400~~ feet of the sulfuric acid tanks.

RECOMMENDATION

Energy Commission staff intends to recommend approval of the petition at the June 22, 2005 Business Meeting of the Energy Commission.

Date: June 8, 2005

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PUBLIC REVIEW PROCESS

The petition to amend the project is available on the Energy Commission's webpage at www.energy.ca.gov/sitingcases/turlock. If you would like to receive a hard copy of the petition, and/or the Energy Commission Order if the changes are approved, please complete the enclosed Information Request Form and return it to the address shown. If you have comments on this proposed modification, please submit them to Lance Shaw, Compliance Project Manager, at the address on this letterhead or by fax to (916) 654-3882, or by e-mail to lshaw@energy.state.ca.us no later than 5:00 P.M., June 21, 2005. The Energy Commission Order (if approved), will also be posted on the webpage.

For further information on how to participate in this proceeding, please contact Margret J. Kim, the Energy Commission's Public Adviser, at (916) 654-4489, or toll free in California at (800) 822-6228, or by e-mail at pao@energy.state.ca.us. If you require special accommodations, please contact Lourdes Quiroz at (916) 654-5146. News media inquiries should be directed to Assistant Director, Claudia Chandler, at (916) 654-4989, or by e-mail at mediaoffice@energy.state.ca.us.

Enclosure: Information Request Form

Mail List # 7164

Privacy Policy: You will receive only the information requested, and the Energy Commission will make no additional use of your personal information and it will not be provided to any other entity.

INFORMATION REQUEST FORM

COMPLETE & MAIL TO: CALIFORNIA ENERGY COMMISSION
COMPLIANCE UNIT
ATTN: Lance Shaw
1516 NINTH STREET, MS-2000
SACRAMENTO, CA 95814

OR FAX TO: (916) 654-3882

NAME AND/OR TITLE (AS IT IS TO APPEAR ON MAIL LABEL)

ORGANIZATION (IF APPLICABLE)

STREET ADDRESS OR P.O. BOX

CITY

STATE

ZIP CODE

PROPOSED AMENDMENT TO THE COMMISSION DECISION FOR THE Hazardous Materials Management-5 (Storage of Substances).

PLEASE CIRCLE THE DOCUMENTS YOU WOULD LIKE TO RECEIVE:

- PETITION TO AMEND
- ENERGY COMMISSION ORDER

PROJECT: Walnut Energy Center

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