

Memorandum

Date: March 25, 2004
Telephone: (916) 651-8835

To: John L. Geesman, Presiding Member
Arthur H. Rosenfeld, Ph.D., Associate Member

From: California Energy Commission -- Bob Eller, Project Manager
1516 Ninth Street
Sacramento, CA 95814-5512

Subject: **ROSEVILLE ENERGY PARK (03-AFC-1) STATUS REPORT #2**

Pursuant to the Committee's February 2, 2004 Scheduling Order, the following is staff's second status report on the proposed Roseville Energy Park.

CURRENT DATA REQUESTS/DATA RESPONSES

Staff submitted 71 data requests on January 7, 2004, requesting additional information in the technical areas of air quality, biological resources, cultural resources, efficiency, hazardous materials management, land use, noise, socioeconomics, soil and water resources, transmission system engineering, visual resources, and waste management.

On February 6, 2004, the applicant provided responses to these data requests. However, the applicant did not provide responses to data request #55 (Storm Water Pollution Prevention Plan), #57 (Spill Prevention Control and Countermeasure Plan), #70 (Phase I Environmental Site Assessment) and #71 (Pesticide Assessment). On February 20, 2004, the applicant provided a response to data request #55. A response to data request #57 (Water Resources) was received on February 24, 2004, and responses to data requests #70 and #71 (Waste Management) were filed on March 1, 2004.

Based on the review of the first round data responses, staff filed its second round data requests on March 9, 2004. These data requests, numbered 72 through 85, seek additional information in the technical areas of Biological, Cultural and Soil & Water resources. Responses to these requests are expected by April 8, 2004. As contemplated in the Committee's Schedule for this proceeding, staff will hold a data response and issue resolution workshop in mid-April in an effort to resolve any outstanding issues prior to release of the Preliminary Staff Assessment.

No data requests have been filed by intervenors to this proceeding.

ISSUES

In our January 16, 2004 Issue Identification Report (IIR), staff identified potential major issues in the areas of air quality and land use.

AIR QUALITY

Staff's IIR identified concerns with the type and availability of offsets available to mitigate the air quality impacts of the proposed project. On February 23, 2004, the applicant provided, under confidential cover, an updated emission reduction credit (ERC) table for the proposed project. Staff was unable to determine whether the new information alleviated the concerns raised in the IIR since the new ERC table did not provide information regarding the ERC number, the nature, or the source of the proposed credits.

On February 26, 2004, the applicant submitted a letter from Enron which confirms the sale of emission reduction credits to Roseville Electric. This letter identifies the purchase of both PM10 and VOC credits in amounts which appear adequate to mitigate the projected air emissions for this project. It appears however, that the applicant will need to obtain additional emission reductions for NOx impacts.

Staff will continue to work with the applicant to resolve the concerns expressed in our IIR. We will update the Committee in our regular status reports regarding any progress towards resolution of this issue, and will provide a complete analysis of the project's air quality impacts in our Preliminary Staff Assessment.

In addition, the Application for Certification for the Roseville Energy Park identifies two proposed turbine configurations for the project, either a General Electric or an Alstrom gas turbine. Further, in response to data request 2, the applicant states that they wish to permit both turbine models. This will require staff, and ultimately the Committee, to analyze the impacts of two different turbines, and to devise Conditions of Certification for each turbine. This will add a degree of complexity to both staff's analysis and the Committee's review. Staff believes that it can meet the Committee's proposed schedule for this proceeding if the air district provides a draft Determination of Compliance for both turbines in a timely manner.

LAND USE

Staff's IIR identified land use concerns regarding the potential impacts of the project to schools proposed as part of the West Roseville Specific Plan/Land Use Plan dated March 14, 2003. The IIR cites the December 19, 2003 school site field review issued by the California Department of Education (CDE) which indicated potential safety issues related to traffic, power line locations, and hazardous pipeline (gas pipeline) locations.

In response to data request #41, the applicant indicated that they have met with CDE and discussed the school sites proposed in the West Roseville Specific Plan. The response concludes, "The REP site, with natural gas Alternative A (preferred alternative) would be consistent with the state's school siting guidelines." The applicant has verbally informed staff they will remove the other gas pipeline alternatives from the project description in an upcoming filing. This was confirmed by the applicant in their first status report however, a revised map of the pipeline routes has not yet been filed.

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Staff will continue to work with the applicant and CDE to resolve this issue and will provide its analysis of the land use impacts of the proposed project in the Preliminary Staff Assessment.

PROJECT SCHEDULE

Due to the delay in receiving a response to Data Request #57, staff was unable to meet the Committee's March 1 filing date for second round data requests. However, staff continues to work towards meeting the Committee's proposed schedule for the release of the PSA in mid-May. However, it is critical that full responses to staff's second round data requests are received in a timely manner, and the draft Determination of Compliance from the air district is completed by April 15, 2004.