

DOCKETED

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Project Title:	Compliance - Application for Certification for Midway-Sunset Cogeneration Project
TN #:	202345
Document Title:	Order Approving Request to Allow Divestiture of Portion of Steamline
Description:	Midway Sunset Cogen
Filer:	Mary Dyas
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CALIFORNIA ENERGY COMMISSION

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**STATE OF CALIFORNIA
 ENERGY RESOURCES CONSERVATION
 AND DEVELOPMENT COMMISSION**

In the Matter of:

MIDWAY SUNSET COGENERATION

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Docket No. 85-AFC-3C

Order No. 14-0514-1b

**MIDWAY SUNSET COGENERATION
 COMPANY**

**ORDER APPROVING a Petition to Allow
 the Divestiture of a Portion of Existing
 Steam Distribution System**

On November 21, 2013, the Midway Sunset Cogeneration Company, LLC (MSCC) filed a petition with the California Energy Commission (Energy Commission) requesting to allow the divestiture of approximately 9,000 feet of the existing steam distribution system that is no longer needed to operate the Midway Sunset Cogeneration project.

The Energy Commission's license included approval of the construction of a steam distribution system, which was considered appurtenant to the power plant itself and thus a part of the project. The original system was designed for steam output from three combustion turbine generators (CTGs), and steam production from one CTG is not enough to maintain the required pressure, temperature, and quality at distant injection wells.

To maintain pressure and quality throughout the distribution system at reduced flow rates, MSCC will, in October 2014, remove from service approximately 9,000 feet of the steam distribution system, isolating the furthest portion of the distribution system. The steam host, who, as a 50-percent partner, already owns half of the distribution system, is purchasing the remaining interest in the abandoned line from MSCC for use in their local steam distribution.

STAFF RECOMMENDATION

Energy Commission staff reviewed the petition, finds that it complies with the requirements of Title 20, section 1769 (a) of the California Code of Regulations, and recommends approval of Midway Sunset Cogeneration Company's petition to divest a portion of the existing steam distribution system.

ENERGY COMMISSION FINDINGS

Based on staff's analysis, the Energy Commission concludes that the proposed modification will not result in any significant impacts to public health and safety, or to the environment. The Energy Commission finds that:

- The petition meets all the filing criteria of Title 20, section 1769 (a), of the California Code of Regulations, concerning post-certification project modifications;
- The modification will not change the findings in the Energy Commission's Final Decision, pursuant to Title 20, section 1755, of the California Code of Regulations;
- The project will remain in compliance with all applicable laws, ordinances, regulations, and standards, subject to the provisions of Public Resources Code, section 25525;
- The modifications will be beneficial to the project owner because it will accommodate the declining steam demands of MSCC's steam host; and
- There has been a substantial change in circumstances since the Energy Commission certification justifying the modification(s) based on information that was not available to the parties prior to Energy Commission certification. Over the past 24 years of operation, oil production and, subsequently, steam demand has declined. Starting in October 2014 steam demand will drop and require steam from only one CTG.

CONCLUSION AND ORDER

The California Energy Commission hereby adopts staff's recommendations and approves the divestiture of approximately 9,000 ft of the steam distribution system for the Midway Sunset Cogeneration project.

IT IS SO ORDERED.

CERTIFICATION


The undersigned Secretariat to the Commission does hereby certify that the foregoing is a full, true, and correct copy of an Order duly and regularly adopted at a meeting of the California Energy Commission held on May 14, 2014.

AYE: Weisenmiller, Douglas, McAllister, Hochschild, Scott

NAY: None

ABSENT: None

ABSTAIN: None



Harriet Kallemeyn,
Secretariat