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Docket Number:	15-AFC-01
<b>Project Title:</b>	Puente Power Project
TN #:	204455
Document Title:	REQUEST FOR AGENCY PARTICIPATION IN THE REVIEW OF THE NRG OXNARD ENERGY CENTER LLC PUENTE POWER PROJECT (15-AFC-01
Description:	N/A
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Organization:	California Energy Commission
Submitter Role:	Commission Staff
Submission Date:	4/30/2015 10:29:02 AM
Docketed Date:	4/30/2015

CALIFORNIA ENERGY COMMISSION 1516 NINTH STREET SACRAMENTO, CA 95814-5512 www.energy.ca.gov



#### April 30, 2015

**TO:** AGENCY DISTRIBUTION LIST

# REQUEST FOR AGENCY PARTICIPATION IN THE REVIEW OF THE NRG OXNARD ENERGY CENTER LLC PUENTE POWER PROJECT (15-AFC-01)

On April 15, 2015, NRG Oxnard Energy Center LLC submitted an Application for Certification (AFC) to construct, own and operate the Puente Power Project (P3). P3 would be sited on approximately 3 acres of previously disturbed vacant brownfield land located on the northern portion of the existing 36-acre Mandalay Generating Station (MGS) site at 393 North Harbor Boulevard in Oxnard, Ventura County, California,.

#### **Project Description**

The proposed P3 project would replace two aging ngas-fired steam-generating units (Units 1 and 2) at the existing MGS, with a new General Electric (GE) Frame 7HA.01 natural gas-fired combustion turbine generator (CTG) and associated auxiliaries. Construction laydown and parking areas would be within the existing MGS site. P3 would upgrade and repurpose existing maintenance, warehouse, and transmission interconnections, and ancillary systems to the extent feasible. No offsite linear developments are currently proposed as part of the project. If P3 is approved and developed, MGS Units 1 and 2 would be retired by the completion of commissioning of P3.

The generator output from P3 would be stepped-up to 220 kilovolts (kV) from the CTG operating in simple-cycle mode. The power block would provide peaking power and is expected to operate up to approximately 30-percent capacity factor. Full-load output of the unit under expected operating and ambient (temperature/relative humidity) conditions would range from approximately 241 net megawatts (MW) to a peak of 271 net MW. The new generating unit would tie into the existing adjacent switchyard, owned by Southern California Edison, using one of the MGS Units 1 and 2 breaker positions that would be vacated when one of the units is removed from service during the commissioning of P3.

Power produced by P3 would serve electric demand in Southern California. Peak load operation would most likely occur during summer on-peak hours, and minimum load operation during off-peak hours. The P3 design provides for a wide range of operating flexibility (i.e., an ability to start up quickly and operate efficiently during operating modes).

An ultra-dry low nitrogen oxide (NOx) combustor system would be used to control the NO<sub>x</sub> concentration exiting the CTG. As an additional post-combustion NO<sub>x</sub> control system, selective catalytic reduction (SCR) would be installed downstream of the gas

Agency Distribution List April 30, 2015 Page 2 turbine. The SCR system would inject an aqueous ammonia solution into the exhaust gas stream upstream of a catalyst bed to reduce the NO<sub>x</sub> to inert nitrogen and water. An oxidation catalyst system would also be incorporated into the air quality control system to control emissions of carbon monoxide (CO) and volatile organic compounds (VOCs).

P3 would use natural gas supplied by Southern California Gas Company (SoCalGas) and would connect to a new gas metering station adjacent to the P3 site. A new natural gas pipeline of approximately 500 feet would extend from the new gas metering station through a new gas compressor to the CTG interface.

The project would use dry cooling technology, which eliminates the large water supply required by wet-cooled power generation projects utilizing once-through seawater cooling. Total estimated annual water use for P3's process and service water needs is expected to be approximately 16 acre-feet per year (AFY), most of which is used for the inlet air evaporative coolers that are used for power augmentation. Estimated annual domestic water use is expected to be the same as for MGS, or approximately 3 AFY. The process water and potable water source is proposed to be the city of Oxnard; the point of connection would be to the existing MGS potable water supply.

Sanitary wastewater would be discharged to the MGS existing septic system. Process wastewater would be stored in one of the existing MGS retention basins, and ultimately discharged to the ocean via the existing outfall. Stormwater also would be directed to one of the existing MGS retention basins, where the water would be reused onsite for industrial purposes (i.e., evaporative cooling for the P3 unit) and/or irrigation purposes to the extent feasible and practical. Surplus stormwater would be discharged to the ocean via an existing outfall. Discharge flows would substantially decrease as compared to existing operating conditions for MGS Units 1 and 2 due to decreased plant water use for P3.

The project would integrate Leadership in Energy and Environmental Design (LEED) concepts. P3 would reuse existing MGS facilities, thereby reducing construction waste. A portion of the existing MGS warehouse would be reconfigured to add a control room for the new plant. The existing administration building would be upgraded. Based on the preliminary concepts identified, the project could receive a LEED Certified rating for the new control room and a LEED Silver rating for the improvements to the administration building.

Construction of P3 is expected to occur over a 21-month period (from October 2018 through June 2020). Commercial operation of P3 is expected by June 2020.

## **ENERGY COMMISSION'S SITE CERTIFICATION PROCESS**

The Energy Commission is responsible for reviewing and ultimately approving or denying all applications to construct and operate thermal power plants, 50 MW and greater, in California. The Energy Commission's facility certification process carefully examines public health and safety, environmental impacts and engineering aspects of proposed power plants and all related facilities such as electric transmission lines and

Agency Distribution List April 30, 2015 Page 3 natural gas and water pipelines. The Energy Commission is the Lead Agency under the California Environmental Quality Act (CEQA). Because the siting process is a Certified Regulatory program, the Energy Commission produces several environmental and decision documents rather than an Environmental Impact Report. The issuance of a certificate by the Energy Commission is in lieu of any local or state permit, and federal permit to the extent permitted by federal law.

The first step in the review process is for Energy Commission staff to determine whether the AFC contains all the information required by Title 20, California Code of Regulations, Appendix B and make a recommendation to the Energy Commission. When the AFC is deemed data adequate by the Energy Commission, a Committee of two Commissioners is assigned, and Energy Commission staff will begin the discovery and issue analysis phases. At that time, a detailed examination of the issues will occur. Shortly after the project is found data adequate, the Committee will notice and conduct an Information/Scoping Hearing and Site Visit. The Energy Commission staff will prepare an Issues Identification Report on the proposed project and present the report at the Information/Scoping Hearing.

Under its certified regulatory program, the Energy Commission prepares and publishes both a Preliminary Staff Assessment (PSA) and a Final Staff Assessment (FSA). After allowing for a public comment period on the PSA and holding public workshops, staff will prepare and publish the FSA which will serve as staff's formal testimony in evidentiary hearings to be held by the Energy Commission Committee assigned to hear this case. The Committee will hold evidentiary hearings and will consider the recommendations presented by staff, applicant, intervenors, government agencies, and the public, prior to proposing its decision. In the last step, the full Energy Commission will issue the final decision.

As part of the review process, the staff of the Energy Commission endeavors to work closely with local, state, and federal agencies to ensure that all laws, ordinances, regulations and standards are considered in the final decision of the Energy Commission.

### **Agency Participation**

Once the AFC is deemed data adequate, your Agency's participation in the proceeding will ensure that the Energy Commission has the information needed in order to make a decision and will allow you to identify and try to resolve issues of concern to your agency. Accordingly, the Energy Commission requests analyses, comments, and recommendations from federal, state, and local agencies that have, or would have jurisdiction except for the Energy Commission's exclusive authority to site power plants and related facilities. (See, Cal. Code Regs., tit. 20, sections 1714, 1714.3, 1714.5, 1742, 1743, and 1744). <u>http://www.energy.ca.gov/2012publications/CEC-140-2012-002/CEC-140-2012-002.pdf</u> As a result, we request that you inform the presiding member (or the executive director if no committee has been appointed yet) of your intent to participate and when such comments can be filed with the Energy Commission.

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Unless otherwise specified by law or by order of the presiding member, all such comments shall be filed prior to the conclusion of the evidentiary hearings..The scope of your agency's comments on the AFC should encompass *significant* concerns and substantive requirements that would be necessary for permitting by your agency but for the Energy Commission's exclusive jurisdiction. (Cal. Code Regs., tit. 20, section 1714.5, subd. (a)(2); emphasis added.) Please let us know if you need additional information or need to perform analyses or studies in order to resolve any concerns of your agency. (Cal. Code Regs., tit, 20, section 1714.5.)

You may be asked to present and explain your conclusions at public and evidentiary hearings on the project. (See Cal. Code Regs., tit. 20, sections 1714.3, 1714.5, 1743, 1744.5, and 1748). Local agencies may seek reimbursement for reasonable costs incurred in responding to these requests by creating an informal reimbursement agreement with the project applicant or by filing an itemized proposed reimbursement budget with the Energy Commission staff within 21 days of receipt of this request for agency participation. (Cal. Code Regs., tit. 20, section 1715).<sup>1</sup>

However, comments provided in response to this request during data adequacy are not reimbursable under Energy Commission guidelines.

Enclosed is a copy of the AFC in electronic format (CD). If you would like to have a hard copy of the AFC sent to you, if you have questions, or if you would like to participate in the Energy Commission's review of the proposed project, please contact Jon Hilliard, Energy Commission Project Manager, at (916) 654-3936, or by email at jon.hilliard@energy.ca.gov. The status of the proposed project, copies of notices, a copy of the AFC, and other relevant documents are also available on the Energy Commission's web site at <a href="http://www.energy.ca.gov/sitingcases/puente/">http://www.energy.ca.gov/sitingcases/puente/</a>. You can also receive email notification of all project related activities and availability of reports by subscribing to the project Listserve at <a href="http://www.energy.ca.gov/listservers/index.html">http://www.energy.ca.gov/listservers/index.html</a>.

Sincerely,

Chris Davis Siting Office Manager

Mailed to: Agency List #\_\_\_\_\_

<sup>&</sup>lt;sup>1</sup> Please note that pursuant to CA Code of Regs., tit. 20, sec.1715 reimbursement is not available to state and federal agencies or to local agencies that become an Intervenor to the proceeding.