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VIA ELECTRONIC FILING

The Honorable Andrew McAllister, Presiding Member
The Honorable Karen Douglas, Associate Member
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Mr. John Heiser, Project Manager
California Energy Commission
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**Re: Huntington Beach Energy Project - Petition to Amend (12-AFC-02C)
Response to August 29, 2016 Amended Committee Scheduling Order [Clutches]**

Dear Commissioners, Hearing Officer Cochran, and Mr. Heiser:

AES Huntington Beach Energy, LLC (“AES” or “Project Owner”) has reviewed the August 29, 2016 Amended Scheduling Order (TN# 213017) and herein provides a response to the Committee’s inquiry regarding clutches. AES appreciates the dialogue about this issue and recognizes that voltage support is a critical component of our State’s energy infrastructure as explained by the California Independent System Operator (“CAISO”). As you are aware, Project Owner docketed a letter on August 25, 2016 (TN# 212948) that sets forth the legal reasons we have identified that clutches are not required to be analyzed or incorporated into the Amended HBEP.¹ This letter provides additional information to the Committee on this issue and builds upon the information previously provided by the Project Owner.

The Petition to Amend (“PTA”) for the Amended HBEP analyzes the proposed project changes and explains that “the proposed modification of HBEP is in keeping with the original objective of the project to provide a fully dispatchable, high-efficiency, quick-start facility able to meet the

¹ The evidentiary record for this proceeding is replete with information as to why clutches are not appropriate, dating back to the December 8, 2015 Informational Hearing.

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current and projected electric reliability needs and market demands of the West Los Angeles Basin.” (See TN# 206087 at p. 1-3 and see generally PTA Sections 1.0, 2.0; see also Staff’s Preliminary Staff Assessment (TN# 211976) at pp. 1-6, 3-7 - 3-8.) Providing voltage support and reactive power is not one of the Amended HBEP’s project objectives, and, thus, does not need to be addressed as part of the environmental review of the project. No transmission system impacts have been identified that would require a synchronous condenser to operate at the Huntington Beach location in the ten-year planning horizon. (CAISO Repowering Study Report, TN# 212678).

Moreover, as the Project Owner has noted on numerous occasions, it is commercially infeasible to incorporate clutches into the combined-cycle gas turbine (“CCGT”) design. The project’s purposes have been thoroughly vetted and established, and no need to include clutch capabilities has been identified by either the Project Owner or the utility off-taker. The Amended HBEP vendors do not offer a CCGT design that would enable either the gas turbines or steam turbine to employ a clutch to enable synchronous condenser operations. Although the design of the Amended HBEP’s simple-cycle units does not preclude the future addition of a clutch, any such future need would be enabled through incremental procurement as authorized by the California Public Utilities Commission and requested by the off-taker. At such time, once the off-taker has identified its need it would be analyzed via a future amendment to the CEC license for such modification (and any others that may be required) - similar to the current Amended HBEP as compared to the Licensed HBEP. Most significantly, and as communicated to the Committee during the last Status Conference, a change to the Project objective and design at this stage of the proceedings would negatively impact the schedule of an already delayed PTA process.

Based on the foregoing and the evidentiary record on this issue, the clutch issue should no longer be discussed or addressed during the pending PTA proceedings. Project Owner respectfully requests that any discussion of clutches in Staff’s Final Staff Assessment and the PMPD, if any is included, be clearly labeled as for informational purposes only and not under the heading of a CEQA Alternatives “environmental impact analysis.” Project Owner looks forward to receipt of Staff’s FSA as soon as possible and a Commission final decision on the Amended HBEP by the end of 2016.

Very truly yours,



Melissa A. Foster