

DOCKETED

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CALIFORNIA ENERGY COMMISSION

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December 9, 2016

**NOTICE OF AVAILABILITY
FINAL STAFF ASSESSMENT PART 2 FOR THE
HUNTINGTON BEACH ENERGY PROJECT PETITION TO AMEND
(12-AFC-02C)**

To: AGENCY DISTRIBUTION LIST

This notice is to inform you of the availability of the Final Staff Assessment (FSA) Part 2, published on December 9, 2016 for the proposed Huntington Beach Energy Project (HBEP) Petition to Amend (PTA).

The enclosed CD contains Part 2 of the California Energy Commission staff's final evaluation of the PTA. The FSA Part 2 contains the California Energy Commission staff's final engineering, environmental, and safety evaluation of the PTA. The FSA Part 1, was published on October 17, 2016 and is available for review, along with the FSA Part 2 on the Energy Commission's website at:

<https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=12-AFC-02C>.

The FSA Part 2 provides staff's review and incorporation of updated conditions based on the Final Determination of Compliance received from the South Coast Air Quality Management District. The FSA Part 2 includes staff's Air Quality and Public Health analyses.

The FSA addresses comments received on the PSA and 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 the staff, applicant, intervenors, government agencies, tribes, and the public, prior to proposing its decision. The Energy Commission will make the final decision, including findings, after the Committee's publication of its proposed decision and the 30-day review period that follows.

The Energy Commission encourages agency participation in the review of the PTA. If you wish to comment on the FSA, please submit comments by going to the Energy Commission's HBEP webpage

http://www.energy.ca.gov/sitingcases/huntington_beach_energy/index.html

and clicking on the "Submit e-Comment" link. Please provide your full name, any organization name, an e-mail address, a reference to Docket No. 12-AFC-02C in the subject line, and preferably put your comment in an attached document (.doc, .docx, or .pdf format). After entering characters to ensure that responses are generated by a human user and not a computer, click on the "Agree & Submit Your Comment" button to submit the comment to the Energy Commission Dockets Unit.

If you wish to mail written comments on the project, please submit them to the Energy Commission Dockets Unit. Please include the docket number (12-AFC-02C) in the subject line or first paragraph of your comments and mail or hand-deliver them to:

California Energy Commission
Dockets Unit, MS-4
1516 Ninth Street
Sacramento, CA 95814-5512

All written comments and materials filed with the Dockets Unit will become a part of the public record of the proceeding. Additionally, comments may be posted on the HBEP webpage of the Energy Commission's website.

SUMMARY OF THE PROPOSED HUNTINGTON BEACH ENERGY PROJECT AMENDMENT

The HBEP was approved on October 29, 2014 (12-AFC-02). On September 4, 2015, AES Huntington Beach Energy, LLC, submitted a PTA. The requested amendment to the Energy Commission Final Decision (Decision) for the HBEP is the result of the selection by Southern California Edison of the revised AES project in the 2013 Local Capacity Requirements Request for Offers to provide 644 megawatts (MW) of nominal capacity, with different technology than that permitted in the HBEP Final Decision.

As originally licensed, HBEP (TN 203309) would have been a 939-MW power plant consisting of two independently operating, three-on-one, combined-cycle gas turbine power blocks to replace the existing operating Huntington Beach Generating Station (HBGS). The amended proposal would total 844 MW. Construction and demolition activities at the project site are anticipated to take approximately 8 years, lasting through the fourth quarter of 2025. The PTA indicates a construction schedule for the various phases of activities with construction of the combined-cycle, gas turbine phase 1, power block 1 consisting of a natural gas-fired, combined-cycle, air-cooled, 644-MW electrical generating facility – to begin in the second quarter of 2017. Commercial operation of power block 1 is anticipated to begin during the second quarter of 2020. Existing units 3 and 4 would then be demolished. Construction of the simple cycle gas turbine phase 2, power block 2, would begin with adding two 100-MW simple-cycle gas turbines. Construction for power block 2 is scheduled to begin during the first quarter of 2022 with commercial operation during the first quarter of 2024. Existing units 1 & 2 would then be demolished. No new offsite linear facilities are proposed as part of this project.

If approved, the amended project would be constructed on 30 acres at the HBGS site, located in Huntington Beach, California at 21730 Newland Street, just north of the intersection of the Pacific Coast Highway (Highway 1) and Newland Street, Orange County.

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 electric 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 natural gas and water pipelines. The Energy Commission has a certified regulatory program and is the lead agency under the California Environmental Quality Act (CEQA).

SUMMARY OF STAFF'S PRELIMINARY CONCLUSIONS - PART 2

Staff concludes that with implementation of staff's recommended mitigation measures described in the conditions of certification in the FSA Part 2, the project would not cause a significant adverse impact to the environment, public health and safety, or to environmental justice communities, and would comply with all applicable laws, ordinances, regulations, and standards (LORS). The FSA Part 2 includes staff's Air Quality and Public Health conclusions regarding impacts and suggested mitigation measures.

AVAILABILITY OF THE PRELIMINARY STAFF ASSESSMENT

The status of the project, copies of notices and other relevant documents are available on the Energy Commission's web site:

http://www.energy.ca.gov/sitingcases/huntington_beach_energy/

If you have questions about this request for comments, the project or the FSA, please contact John Heiser, Project Manager, at (916) 653-8236 or John.Heiser@energy.ca.gov.

Sincerely,

Date: December 9, 2016

Chris Davis, Manager
Siting Office

Mailed to Agency list - 7438