CALIFORNIA ENERGY COMMISSION 1516 NINTH STREET SACRAMENTO. CA 95814-5512

NOTICE OF RECEIPT APPLICATION FOR CERTIFICATION TESLA POWER PROJECT Docket No. 01-AFC-21



TO: AGENCIES

The purpose of this notice is to let your agency know of an application that was filed with the California Energy Commission (Energy Commission) for a power plant 0.5 miles north of the PG&E Tesla substation in Alameda County, near the border of San Joaquin County. Your agency has been identified as an agency that may want to participate in the Energy Commission's power plant certification process. Participant agencies typically receive a copy of the Application for Certification (AFC) and all major staff documents for review and comment. If your agency would like to be on our agency mailing list to receive such documents, your agency is asked to respond to this notice as specified below.

LEAD AGENCY RESPONSIBILITY

The Energy Commission is responsible for reviewing and ultimately approving or denying all thermal electric power plants, 50 MW and greater, proposed for construction 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, natural gas pipelines, access roads, and water pipelines. The Energy Commission is the lead agency under the California Environmental Quality Act (CEQA).

PROJECT DESCRIPTION

On October 12, 2001, Midway Power LLC (MPLLC), a Delaware limited liability company, filed an Application for Certification (AFC) for the Tesla Power Project (TPP). MPLLC is seeking approval from the California Energy Commission (Energy Commission) to construct and operate the Tesla Power Project. The site is located on a 60-acre portion of a 160-acre parcel, Assessor parcel No. 99B-7825-1-4 Section 30, Township 2S, Range 4E, in Alameda County. The site is approximately 0.5 miles north of the PG&E Tesla substation. The site will be accessed by the Midway Road bordering the eastside of the parcel.

The project is proposed as a nominal 1,120 MW electrical generating power plant with commercial operation planned for third quarter of 2004. The Tesla Power Project will consist of a natural gas fired combined cycle power generator, with 0.8 miles of double-circuit 230-MW transmission line connected to the Tesla PG&E substation, 24 inch 2.8 mile natural gas pipeline, and 1.7 mile water line constructed along the Midway Road.

Annual average water requirements for the project will be approximately 5,100 AF/year. Water will be provided under agreement with Rosedale-Rio Bravo Water Storage October 22, 2001 Page 2

District in Kern County. Delivery will be via the 1.7 mile water line from the California Aqueduct under agreement with the Alameda County Flood Control and Water Conservation District (Zone 7).

The project will have a separate plant for wastewater and sanitary wastewater collection. The plant will collect wastewater from plant equipment, cooling towers, heat recovery system generators, water treatment system, chemical feed area drains, and general plant drains. The collected wastewater will be directed to a zero liquid discharge system for treatment. The collected sanitary wastewater from sinks, toilets, and other sanitary facilities will be discharged in to a county approved on-site septic system.

Air pollution control will make use of a selective catalytic reactor (SCR) to reduce emissions of NO_x (nitrogen oxides), an oxidation catalyst to limit CO (carbon monoxide) emissions, and POC (precursor organic compounds). Natural gas will limit SO₂ and PM₁₀ emissions. Low drift plume abated cooling towers reduce fine particulate emissions. The design will be specified to reduce emissions and comply with BACT requirements as set by the Bay Area Air Quality Management District (BAAQMD). A detailed discussion of emission quantities, offsets, and BACT requirements is included in the Application submitted to the BAAQMD.

AGENCY PARTICIPATION

The purpose of the AFC process is to enable the Energy Commission to assess the project's impact on environmental quality, electrical system reliability, public health, and safety. During this 12-month process, the Energy Commission will conduct a number of public workshops and hearings to determine whether the project should be approved, and if so, under what set of conditions. These workshops will provide members of the public, as well as local, state, and federal agencies, the opportunity to ask questions and provide input about the proposed project. The Energy Commission will issue notices for these workshops and hearings, normally 14 days, but in no case later than 10 days prior to the meeting.

If your agency would like to be on our agency mailing list to receive such documents, please contact Jack W. Caswell, Project Manager, at (916) 653-0062, or by email at jcaswell@energy.state.ca.us. If your agency does not respond to this notice, you will not receive future mailings regarding this project. However, if you wish to know the status of the project, or to obtain an electronic copy of the AFC or other documents relevant to these proceedings, you may visit the Energy Commission's Internet web site at http://www.energy.ca.gov/sitingcases/tesla.

DATE: 10/22/01

PAUL C. RICHINS, JR. C Energy Facilities Licensing Program Manager