



FOSTER WHEELER ENVIRONMENTAL CORPORATION

November 2, 2001

Bill De Boisblanc
Bay Area Air Quality Management District
939 Ellis Street
San Francisco, CA 94109

Subject: Tesla Power Project- Section 7 Consultation

DOCKET 01-AFC-21
DATE NOV 02 2001
RECD. NOV 07 2001

Dear Mr. De Boisblanc;

As a follow-up to our telephone conversation on Wednesday, the following is a summary of our suggested approach for initiating a Section 7 consultation with the US Fish and Wildlife Service (USFWS).

For background, the Tesla Power Project is being proposed by Midway Power, LLC, at a location near the PG&E Tesla Substation in eastern Alameda County. An Application for Certification (AFC) has been submitted to the California Energy Commission for their review. The project site is within the Bay Area Air Quality Management District (BAAQMD) and an Authority to Construct application has been submitted to the BAAQMD. The federal Prevention of Significant Deterioration (PSD) permit is required for the project, and authority for this permit has been delegated to BAAQMD by the US Environmental Protection Agency (EPA).

The project site is within the range of the San Joaquin Kit Fox and the California red-legged frog which are listed Endangered and Threatened Species, respectively, under the Endangered Species Act (ESA). Before federal permits can be granted for this project, the USFWS must be consulted and issue a Biological Opinion evaluating the potential for adverse impacts to this species.

The consultation process with USFWS under Section 7 of the ESA is initiated by a federal agency which may grant a permit for the project, in this case the EPA PSD permit, which brings me to the point of our telephone conversation. Because BAAQMD has been delegated authority for PSD review, we are requesting your assistance in working with the EPA to initiate a Section 7 consultation with the USFWS.

To complete this process, Jennifer Scheffel (Foster Wheeler Environmental Corporation (FWENC)) has completed biological investigations of the site and linear facilities and will soon prepare a Biological Assessment with a focus on the federally listed species that may be impacted by the project. When the Biological Assessment is complete we will attach it to the PSD Application and send a copy to BAAQMD, with copies to EPA (Bob Baker, EPA Region IX) and USFWS (Sheila Larsen, Sacramento Office). To initiate the Section 7 consultation, the EPA needs to send a request for Section 7 consultation to the USFWS.



We expect the Biological Assessment will be available the week of November 5, 2001. Please let me know if you can assist us with the initiating the Section 7 consultation in cooperation with the EPA as outlined above. If you have any questions please do not hesitate to call me at (949) 756-7531.

Sincerely,

A handwritten signature in black ink, appearing to read 'Lida', with a long horizontal flourish extending to the right.

Lida Moussavian,
Foster Wheeler Environmental Corporation

Cc:

Bob Baker, EPA,
Sheila Larsen, USFWS
Jack Caswell, CEC
Scott Busa, Midway Power, LLC
Jennifer Scheffel, FWENC

