

CALIFORNIA ENERGY COMMISSION1516 NINTH STREET
SACRAMENTO, CA 95814-5512

**STATE OF CALIFORNIA
ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION**

In the Matter of:)	
WALNUT ENERGY CENTER)	Docket No. 02-AFC-4C
)	
WALNUT ENERGY CENTER)	Order No. 05-0119-02
AUTHORITY)	ORDER APPROVING a Petition to Modify
)	BRIDGE AND CONSTRUCTION WATER
)	SUPPLY

Walnut Energy Center Authority (WECA), the owner/operator of the Walnut Energy Center (WEC) Project, initially filed its petition on September 3, 2004. The petition was modified to reflect several information exchanges between the project owner and Energy Commission staff and by two additional filings on October 20, 2004, and December 7, 2004. The petition (these three filings) seeks to allow WECA to replace potable water as its bridge water supply (the bridge water supply period is that period of time between the commencement of commercial operation of the WEC and the earlier of December 31, 2006 or when recycled water from the City of Turlock's waste water treatment plant (WWTP) becomes available to the WEC) with lower quality ground water from two wells drilled into the upper aquifer. The petition also seeks to allow the owner to use potable water for construction purposes such as hydrostatic testing, and flushing of equipment, pipes and tanks instead of upper aquifer well water from Turlock Irrigation District's (TID) Walnut Peaker Plant and substation. The owner/operator has agreed to minimize the use of potable water from the City of Turlock to the maximum extent possible.

Ownership change of the WEC project to WECA was authorized by the Energy Commission during its September 8, 2004 Business Meeting (Order number 04-0908-01(c)). TID, the project's previous owner, and Merced Irrigation District formed the Walnut Energy Center Authority (WECA), a new public agency under the Joint Powers Act.

STAFF RECOMMENDATION

The Energy Commission staff reviewed the petition and finds that it complies with the requirements of Title 20, Section 1769(a) of the California Code of Regulations and recommends approval of WECA's petition to modify the WEC Project and amend related Conditions of Certification.

COMMISSION FINDINGS

Based on staff's analysis, the Commission concludes that the proposed changes will not result in any significant impact to public health and safety, or the environment. The Commission finds that:

- The petition meets all the filing criteria of Title 20, section 1769(a) of the California Code of Regulations concerning post-certification project modifications.
- The modification will not change the findings in the Commission's Final Decision pursuant to Title 20, section 1755;
- The project will remain in compliance with all applicable laws, ordinances, regulations, and standards, subject to the provisions of Public Resources Code section 25525;
- The change will be beneficial to the project owner, and limits use of potable water from the City of Turlock for project purposes;
- The change is based on information that was not available to the parties prior to Energy Commission certification because the owner learned of higher-than-expected costs for the original supplies and infrastructure associated with potable water.

CONCLUSION AND ORDER

The California Energy Commission hereby adopts Staff's recommendations and approves the following changes to the WEC Project Decision. Note that afy in the condition refers to acre feet of water per year. New language is shown underlined and deleted language is shown in ~~strikeout~~:

SOILS & WATER-5: The project's water use shall be limited as described below. For purposes of this condition, the bridge period is defined as that period of time between the commencement of commercial operation of the WEC and the earlier of December 31, 2006 or when recycled water from the City of Turlock's wastewater treatment plant (WWTP) is available to the WEC.

Water for construction purposes shall consist of groundwater provided from the existing TID well at the Walnut substation. Potable water may also be used for construction for the purpose of hydrostatic testing and flushing of equipment, pipes and tanks; provided however, the project owner shall minimize the use of potable water for this purpose to the maximum extent feasible. ~~Water, for all purposes, used during the bridge period shall consist of potable water provided by the City of Turlock, and shall not exceed 2 million gallons per day or 1,803 afy.~~

During the bridge period, water used for cooling and steam cycle make-up shall consist of poor quality groundwater from the upper aquifer supplied from one of two groundwater wells located on either the WEC project site or the TID equipment storage area on South Washington Road (the "South Washington" site). Only one of the two groundwater wells may be operated at any time (with the other well serving as a 100 percent redundant backup). Groundwater production from the wells shall not exceed two million gallons per day or 1,800 afy.

Water for operational and landscaping purposes used after the bridge period shall consist of recycled water from the City of Turlock WWTP and shall not exceed 1,800 afy. Water for domestic needs after the bridge period shall consist of potable water provided by the City of Turlock and shall not exceed 3 afy. ~~Potable water~~ Groundwater from the wells to be located either on the WEC project site or the South Washington site may also be used for back-up to the recycled water supply in the event of a short-term disruption in service and shall not exceed 51 afy. ~~Potable water~~ Groundwater from the wells to be located either on the WEC project site or the South Washington site may also be used in the event that recycled water is not available to the project subject to the provisions of **SOILS&WATER-6**. Alternative water use shall be calculated using a 5-year rolling average.

Verification: The project owner shall notify the Commission no later than May 31, 2006, and in monthly compliance reports thereafter, as to the status of recycled water production by the City of Turlock's WWTP until the WEC is using tertiary treated, recycled water for its non-potable operational and landscaping requirements. This notice shall include information on the issues related to recycled water production, DHS approval for recycled water service and the expected availability of recycled water supplies to WEC. After recycled water service is provided to WEC, the project owner shall report water use to the Commission as required by **SOILS&WATER-7**. Annual average water use shall be calculated using a 5-year rolling average of actual water use starting with the first year of operation. In the event of an interruption or reduction in recycled water service that requires the use of ~~back-up potable water~~ groundwater from the wells to be located either on the WEC project site or the South Washington site, the project owner shall notify the CPM, in writing, within 24 hours.

IT IS SO ORDERED.

Date: January 19, 2005

STATE OF CALIFORNIA
ENERGY RESOURCES
CONSERVATION AND DEVELOPMENT
COMMISSION

Signed by Chairman William J. Keese

WILLIAM J. KEESE, Chairman