

## CALIFORNIA ENERGY COMMISSION

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<b>DOCKET</b> <b>05-AFC-2</b>
DATE DEC - 1 2005
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December 1, 2005

**TO: AGENCY DISTRIBUTION LIST****REQUEST FOR AGENCY PARTICIPATION IN THE REVIEW OF THE WALNUT CREEK ENERGY PARK, APPLICATION FOR CERTIFICATION (05-AFC-2)**

On November 22, 2005, Walnut Creek Energy, LLC (WCE), a wholly-owned subsidiary of Edison Mission Energy (EME), submitted an Application for Certification (AFC) to construct and operate a nominal 500 megawatt (MW) simple-cycle power plant, the Walnut Creek Energy Park (WCEP), in the City of Industry.

As part of our review process, the staff of the Energy Commission works closely with local, state and federal agencies to ensure that all laws, ordinances, regulations and standards are met and incorporated into the final decision of the Energy Commission.

**Project Description**

The proposed WCEP site is located at 911 Bixby Drive in the City of Industry, Los Angeles County, in an area zoned for industrial uses. The project site is an 11.48-acre parcel currently owned by the Industry Urban Development Agency (Development Agency). A large, commercial distribution warehouse currently occupies the parcel. The Development Agency has designated the parcel for redevelopment and intends to demolish the warehouse in the near future. EME has entered into a lease option agreement for the project site. The lease option will be assigned to and exercised by WCE, which will take possession of the site from the Development Agency after the warehouse has been demolished. The City of Industry is in the process of reviewing a Negative Declaration, pursuant to the California Environmental Quality Act (CEQA), for the demolition.

The proposed generating facility would consist of five General Electric LMS100 natural gas-fired turbine-generators and associated equipment. The WCEP is designed as a peaking facility to meet electric generation load during periods of high demand, which generally occur during daytime hours, and more frequently during the summer than other portions of the year. The project is expected to have an annual capacity factor of approximately 20 to 40 percent, depending on weather-related customer demand, load growth, hydroelectric supplies, generating unit retirements and replacements, the level of generating unit and transmission outages, and other factors.

The WCEP would use reclaimed water for cooling and other power plant processes and for site landscape irrigation. The Rowland Water District would supply, on average, approximately 827 acre-feet per year of reclaimed water for the project from the San Jose Creek Wastewater Reclamation Plant. This water would be supplied to the WCEP site via an approximately 30-foot-long pipeline connection to an existing reclaimed water pipeline at the corner of Bixby Drive and Chestnut Street. Potable water for drinking and sanitary uses would be provided through a 30-foot-long pipeline connection to a Rowland Water District water main in Bixby Drive, immediately adjacent to the project

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site. Sanitary wastewater would be discharged to a Los Angeles County Sanitation District trunk sewer line that runs in a utility easement within the project site. Process wastewater would also be discharged to this sanitary sewer line through a connecting pipeline to the trunk sewer line.

The WCEP would be connected to Southern California Edison's (SCE) electrical system at the existing Walnut Substation, which is located approximately 250 feet south of the project site. This connection would require 600 feet of 230-kilovolt transmission line and two transmission towers to be located adjacent to the substation within SCE's transmission line corridor.

Natural gas would be supplied to the WCEP via a pipeline connection to a Southern California Gas Company high-pressure gas pipeline that runs in a utility easement within the WCEP parcel.

Assuming the WCEP receives a license from the Energy Commission by December 2006, construction of the project would start in early spring 2007, and full-scale commercial operation would begin by August 2008.

### **Energy Commission's Facility Certification Process**

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 and natural gas and water pipelines. The issuance of a certificate by the Energy Commission is in lieu of any local, state, or federal permit (to the extent permitted by federal law). The Energy Commission's responsibilities are those of a lead agency under CEQA, except the Energy Commission's analysis includes several environmental and decision documents rather than an Environmental Impact Report.

The first step in the review process is for Energy Commission to determine whether or not the AFC contains all the information required by our regulations. When the AFC is deemed data adequate, we will begin data discovery and issue analysis phases. During this time, a detailed examination of the issues will occur. There will be opportunities for your staff to confer with Energy Commission staff regarding issues of concern to your agency.

Over the coming months, the Energy Commission will conduct a number of public workshops and hearings on the proposal to determine whether the project should be approved for construction and operation and under what set of conditions. These workshops will provide the public as well as local, state and federal agencies the opportunity to ask questions about, and provide input on, the proposed project. The Energy Commission will issue notices for these workshops and hearings at least 10-14 days prior to the meeting.

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## Agency Participation

During this data adequacy phase, we request that you review the sections of interest to your agency and determine whether the major issues of concern to your agency have been identified. At this time, we are only concerned that such issues are disclosed, not necessarily that they be discussed in detail. We request that you provide any written comments you may have regarding the disclosure of potential issues of concern by **Thursday, December 15, 2005**. Please address your comments to Eric Knight, Project Manager, 1516 9<sup>th</sup> Street, MS-15, Sacramento, CA 95814. Your agency may also present its comments and recommendations in person at the Energy Commission's January 4, 2006 Business Meeting. The limited purposes of that meeting will be to determine whether the AFC is data adequate in accordance with our regulations and to assign a committee of two commissioners to oversee the proceeding.

When the AFC is accepted as data adequate, your participation in the proceeding is encouraged and will allow you to identify and try to resolve issues of concern to your agency. There may be specific requests for agency review and comment during the proceedings after the AFC has been determined to be data adequate. Local agencies may seek reimbursement for costs incurred in responding to these requests. However, this request for comments during data adequacy is not reimbursable under Energy Commission guidelines.

Assuming that the project is found to be data adequate on January 4, 2006, your agency's preliminary and final determinations and opinions (such as those contained in a Determination of Compliance, wastewater discharge requirements, biological opinions, and land use decisions) would be due by **Thursday, May 4, 2006** (120 days) and **Monday, July 3, 2006** (180 days), respectively.

Enclosed is a copy (CD) of the AFC in electronic format. If you would like to have a hard copy of the AFC sent to you, if you have questions, or if you would like additional information on reimbursement or on how to participate in the Energy Commission's review of the project, please contact Eric Knight, Project Manager, at (916) 653-1850, or by email at [eknight@energy.state.ca.us](mailto:eknight@energy.state.ca.us). The status of the project, copies of notices, electronic version of the AFC, and other relevant documents are also available on the Energy Commission's Internet web site at <http://www.energy.ca.gov/sitingcases/walnutcreek/index.html>.

Sincerely,



Roger E. Johnson, Manager  
Energy Facilities Siting and Compliance Office

Enclosure