

CALIFORNIA ENERGY COMMISSION

1516 NINTH STREET
SACRAMENTO, CA 95814-5512STATE OF CALIFORNIA
ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION

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| 01-AFC-5C |
| DATE NOV -3 2005 |
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In the Matter of:)
VALERO COGENERATION) **Docket No. 01-AFC-5C**
PROJECT))
VALERO REFINING COMPANY -) **Order No. 05-1103-07**
CALIFORNIA) **ORDER APPROVING** a Petition to Extend
) The On-Line Date For Phase 2

The Valero Refinery – California (Valero), the owner/operator of the Valero Cogeneration Project, has requested to modify the Project Operation Requirement Condition of Certification (GEN-10). The modification will allow Valero to extend the on-line date for Phase 2 to from November 1, 2005, to November 1, 2007.

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 Valero's petition to modify the Valero Cogeneration Project and amend a related Condition of Certification.

ENERGY COMMISSION FINDINGS

Based on staff's analysis, the Energy Commission concludes that the proposed changes will not result in any significant impact to public health and safety, or the environment. The Energy 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 Energy 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 as it will provide sufficient time for Valero to determine whether Phase 2 is viable; and
- The change is based on information that was not available to the parties prior to the previously approved petition delaying the on-line date in that the California Public Utilities Commission proceedings have not yet been completed, and the outcome of Proposition 80 regarding re-regulation of the electric industry is not known.

CONCLUSION AND ORDER

The California Energy Commission hereby adopts staff's recommendations and approves the following changes to the Valero Cogeneration Project's Decision. New language is shown **double-underlined and bolded**, and deleted language is shown in ~~strikeout~~.

CONDITION(S) OF CERTIFICATION

Project Operation Requirement – GEN-10

Phase I (51 MW) of the Valero Project shall be on line by no later than December 31, 2002.

Phase II (51 MW) of the Valero Project shall be on line no later than November 1, ~~2005~~ **2007**.

The project owner must possess an approved Authority to Construct (ATC) Permit from the Bay Area Air Quality Management District prior to the commencement of construction.

Verification: The project owner shall provide the CPM a copy of the approved ATC within 30 days of receipt.

IT IS SO ORDERED.

Date: November 3, 2005

STATE ENERGY RESOURCES
CONSERVATION AND
DEVELOPMENT COMMISSION



JOSEPH F. DESMOND
Chairman