

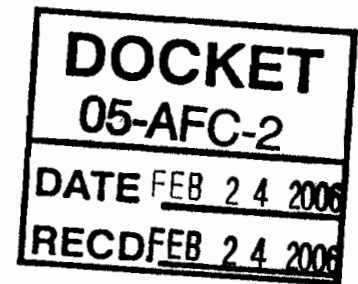
CALIFORNIA ENERGY COMMISSION

1516 NINTH STREET
SACRAMENTO, CA 95814-5512
www.energy.ca.gov



February 24, 2006

Mike Kissell, Planning Director
City of Industry Planning Department
15651 East Stafford Street
City of Industry, CA 91744

**Walnut Creek Energy Park (05-AFC-2)**

Dear Mr. Kissell:

In early December 2005, you received a letter from our agency apprising you of the Walnut Creek Energy Park Application for Certification (AFC) to construct and operate a nominal 500 megawatt (MW) simple-cycle power plant in the City of Industry. In addition to the letter, you received a CD of the AFC and the California Energy Commission's Internet website address where the status of the project, copies of notices, and other relevant documents are available. On February 7, 2006, we sent your agency a supplement to the AFC (hard copy) that was provided by Walnut Creek Energy, LLC (applicant) to satisfy the Energy Commission's informational requirements. On February 1, 2006, the Energy Commission accepted the AFC with the supplemental information as complete. The staff of the Energy Commission has now begun the data discovery and analysis phases of the project's 12-month licensing process.

The Energy Commission has the exclusive authority to license all new or modified power facilities, 50 MW or greater in the state (Public Resources Code section 25500). Thus, the Energy Commission's license takes the place of all other state, regional, or local permits, and other entitlements for use, that would otherwise be required.

As part of the licensing process, the Energy Commission must determine whether a proposed facility complies with all applicable state, regional, and local laws, ordinances, regulations, and standards (LORS) (Public Resources Code section 25523(d)(1)). When determining whether a proposed project is consistent with local land use laws, Energy Commission staff consults with local agencies to determine conformity and gives due deference to an agency's comments and recommendations. At this time, Energy Commission staff has some questions related to the land use, visual, and traffic aspects of the project.

Land Use

In Table 8.6-4 (Section 8.6, Land Use) of the Walnut Creek Energy Park AFC, it appears that the project would require a conditional use permit from the City of Industry if it were not for the authority of the Energy Commission. Prior to making findings for its decision, the Energy Commission needs to know what conditions the City of Industry would normally attach to a conditional use permit, were it the permitting agency. We would appreciate obtaining a list of conditions that would be required for the proposed project and the appropriate citation to the applicable LORS.

Visual Resources

The Visual Resources section of the AFC (Pages 8.13-22 through 29) outlines the applicant's assessment of the proposed project's consistency with the City of Industry's aesthetic/visual regulations, architectural design review, landscape requirements, and

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scenic area regulations for the site. Energy Commission staff would like to know if the City believes the applicant's visually-related information is complete and accurate and what aesthetic/visual conditions, if any, would be required.

Traffic and Transportation

The Traffic and Transportation section of the AFC (pages 8.12-1 through 24) presents the applicant's assessment of the proposed project's consistency with the City of Industry's traffic and transportation plan, policies and regulations. Energy Commission staff would like to know if the City believes that the applicant's traffic/transportation-related information is complete and accurate and what traffic/transportation-related conditions, if any, would be required.

Also, Energy Commission staff identified an alternative traffic route consisting of South Azusa Avenue to Anaheim Puente Road to East Chestnut Street to the project site. The applicant's route requires trucks to make a left turn into the facility, thereby crossing traffic. The East Chestnut Street route provides a direct path to the site entrance avoiding cross-traffic. Staff would like to know what the City believes is the best inbound and outbound traffic route to the site for a) construction personnel, and b) truck traffic.

Energy Commission staff request that the City of Industry provide a letter by June 1, 2006, addressing the land use, visual, and traffic questions noted above. In your review of the AFC, if you have any other issues or concerns, please let us know. You can contact me by phone at (916) 653-1850 or by email at eknight@energy.state.ca.us.

Sincerely,



Eric Knight, Project Manager
Siting Office, MS 15

cc: Docket (05-AFC-2)
Troy Helling, Planning Assistant
John Ballas, City Engineer