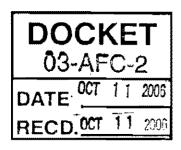
Notice of Decision by California Energy Commission



To: X California Resources Agency 1416 9th Street, Room 1311 Sacramento, CA 95814

From: California Energy Commission 1516 9th Street Sacramento, CA 95814

Subject: Filing of Notice of Decision in compliance with Public Resources Code Section 21080.5

and Title 20, California Code of Regulations, Section 1768

Project Title: LOS ESTEROS CRITICAL ENERGY FACILITY 2, PHASE 2

Energy Commission Docket Number: 03-AFC-2

Energy Commission Contact Person: ROBERT WORL

Telephone: (916) 651-8853

Project Location: 800 THOMAS FOON CHEW WAY, SAN JOSE, CA

County: SANTA CLARA COUNTY

Project Description:

Originally licensed on July 2, 2002 (01-AFC-12), and recertified on March 16, 2005 (03-AFC-2, Phase 1), as a simple-cycle power plant, the Los Esteros Critical Energy Facility (LECEF) project was required to recertify or convert to combined-cycle operation within 3 years of the original decision date. The current project application (03-AFC-2, Phase 2) contains an application to license the conversion of the LECEF to a combined-cycle facility, adding a steam turbine generator and associated equipment that increases the electrical output by 140 megwatts (MW) to a total output of 320 MW.

Phase 2, licensing the conversion of the LECEF to a combined-cycle facility has completed the Application for Certification process by the Energy Commission.

The project is a 180 megawatt (MW) simple cycle power plant, with four GE LM6000 natural gasfired turbines and associated electrical generation equipment. Recycled water is used for cooling and for enhanced turbine efficiency. Power is currently supplied to the grid via an approved 150 foot-long permanent connection through the Pacific Gas & Electric Los Esteros Substation-Nortech 115 kV transmission line, but will transfer the interconnection to a 230 kV connection point at the Silicon Valley Power Switching Station recently build next to the LECEF. Selective catalytic reduction, and an oxidation catalyst are employed to reduce air pollutant emissions of NOx, SO2, and CO, and will continue to be used within the Heat Recovery Steam Generator system to be added during the conversion to combined-cycle operation.

On October 11, 2006, the California Energy Commission approved the above-described project, 03-AFC-2, Phase 2, pursuant to a regulatory program certified by the California Secretary of Resources under Section 21080.5 of the California Public Resources Code.

1.	The project		ili XX will	not have a	significant	effect	on the	environment.
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- 2. Mitigation measures XX were were not made a condition of approval of the project.
- 3. A statement of Overriding Considerations [...] was [XX]was not] adopted for the project.

The Commission docket files containing the final Commission Decision and other information regarding the project are available to the public at: California Energy Commission, 1516 9th Street, Sacramento, California, 95814. The final Decision and other information regarding the project is also available on the Commission's web site—[www.energy.ca.gov].

October 11, 2006
Signature: Robert Worl
Date

Date

Title

Dates received for filing

Resources:

CEC:

October 11, 2006
Date

Title

Title

OCT 11 2006



CALPINE CORPORATION

Esources Agency of Calfornia

50 W. San Fernando Street San Jose, CA 95113 (916) 294-6266 Debtor In Possession

PAY DEGIT FYE ZERO



PAY Eight hundred fifty and 00/100 Dollars

TO THE ORDER OF CALIFORNIA DEPT. OF FISH & GAME C/O STATE WATER RES. CONTR. BOARD P.O. BOX 2000 SACRAMENTO, CA 95812-2000 United States UBOC DISBURSEMENT SERVICES Boston, MA 02108

53-292 113 CHECK NUMBER 00021553

DATE 10/10/2006 AMOUNT ******\$850.00

VOID AFTER 180 DAYS

Authorized Signature

Charles B Clark for

1º00215531º



nando Street 95113 (916) 294-6266

CALIFORNIA DEPT. OF FISH & GAME C/O STATE WATER RES, CONTR. BOARD P.O. BOX 2000 SACRAMENTO, CA 95812-2000 United States

Receipt No: 3021

Date: 10/11/2006

Invoice Date: 10/11/2006

Lead Agency: CA Energy Commission

Department of Fish and Game

Document No: 03-AFC-2

State Agency of Filing: Project Title:

Los Esteros Critical Energy Facility 2, P

Deposit No:

3708

Calpine Corp.

50 W. San Fernando Street

San Jose, CA 95113

Project Applicant Name

Project Applicant Address:

City, State, Zip

Project Applic	ant (check appropriate box).ocal	Public Agency State Agency	,—,	School Dis Private En		∵	Other Special District	
APPL	CABLE FEES:							
5	invironmental Impact Report:						\$0.00	
N	legative Declaration:						\$0.00	
Д	application Fee Water Diversion (State		\$0.00					
p	Projects Subject to Certified Regulatory P						\$850.00	
			Lien	fee:	\$0.00			
			Per	alty:	\$0.00		,	
C	County Administrative Fee:						\$0.00	
Ţ, F	Project exempt from fees						\$0.00	
		W	1 1	tal Receiv			\$850.00	
	Person receiving payment:	Bill Teri	ry, A	ccountin	ng Te	chr	nician	

4 copies - Project Applicant, DFG/FASB, Lead Agency, County/State Agency of Filing