

**CALIFORNIA ENERGY COMMISSION**

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www.energy.ca.gov



<b>DOCKET</b>	
<b>06-AFC-10</b>	
DATE	DEC 6 2006
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December 6, 2006

TO: AGENCY DISTRIBUTION LIST

**REQUEST FOR AGENCY PARTICIPATION IN THE REVIEW OF THE STARWOOD POWER-MIDWAY, LLC PEAKING PROJECT, APPLICATION FOR CERTIFICATION (06-AFC-10)**

On November 17, 2006, Starwood Power-Midway, LLC, submitted an Application for Certification (AFC) to construct and operate a simple-cycle (peaking) power plant, the Starwood-Midway Project (Midway), in an unincorporated area of western Fresno County.

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 Midway project would be a simple-cycle power plant and have a nominal electrical output of 120 megawatts (MW) with construction planned to start in June 2008 and commercial operation planned by May 2009. It is proposed as a 12-month AFC. The applicant has a 15-year contract with Pacific Gas & Electric (PG&E) as a result of its 2004 Request for Offers for new generation resources. The proposed Midway project 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. It is expected to have an annual capacity factor of no higher than 46 percent, depending on weather and customer demand, load growth, hydroelectric supplies, generation retirements and replacements, the level of generating unit and transmission outages, and other factors. The generating facility will include two Pratt & Whitney FT8-3 SwiftPac Combustion Turbine Generators (CTGs), a CTG Main Step-up transformer (13.8/115 kV), air emissions control equipment, an aqueous ammonia storage tank, natural gas fuel system, compressed air system, wastewater system, site stormwater drainage system, and a lined evaporation pond.

The proposed Midway plant site, an approximate 5.6 acres of land located within a 128-acre parcel (Assessors Parcel Number 027-060-78S), is located approximately 1 mile southwest of the intersection of West Panoche Road and South Fairfax Avenue, and approximately 2 miles northeast of the intersection of West Panoche Road and Interstate 5, in an unincorporated area of western Fresno County. This parcel is zoned AE-20 (agriculture use) and is located in a predominantly agricultural area. The 128-acre parcel is currently subject to a Williamson Act agricultural land conservation contract which will be revised through a partial cancellation process by Fresno County. The proposed Midway project is consistent with Fresno County's General Plan and zoning designations for the site. The existing parcel is currently occupied by CalPeak Power and used as a storage yard containing several large pieces of equipment and items used at the CalPeak Panoche peaking power plant located directly southwest and adjacent to the proposed Midway plant site. The proposed Midway plant site is owned by

Starwood Power-Midway, LLC. There will also be a temporary construction laydown and parking area within the site perimeter.

The proposed Midway project would interconnect to the 115 kV bus at PG&E's Panoche Substation via the existing CalPeak Panoche generator tie line. The tie line connecting the existing CalPeak Panoche Plant to PG&E's system is already sized to carry the output of the proposed Midway plant. A proposed 300-foot generator tap line would originate from the proposed Midway generator step-up transformer near the western perimeter of the proposed Midway plant site, exit from the northwest edge of the proposed Midway plant site and travel west into the existing CalPeak Panoche tie line to the Panoche Substation.

Natural gas would be delivered to the proposed Midway plant site from a connection to a PG&E trunk line, located immediately north of the proposed Midway plant site. PG&E would tap the 6-inch natural gas service line serving the existing CalPeak Panoche Peaker facility approximately 25 feet upstream of the existing meter set and install 50 feet of 6-inch steel pipeline to a new 6-inch turbine meter set adjacent to CalPeak Power's existing meter set. Approximately 600 feet of natural gas line would be constructed along the western perimeter of the proposed Midway plant site.

On an annual basis, the Midway facility would consume approximately 136 acre-feet/year of water for power plant processes. Water would be delivered to the proposed plant site from a connection to the adjacent and existing CalPeak Panoche Peaker Plant well. However, several alternative water supply options are being considered, including low quality groundwater from an existing well, wastewater from nearby agricultural irrigation activities, and a new well to tap deeper groundwater supplies.

Sanitary waste from portable toilets provided at the proposed Midway plant site during the facility's construction phase would be hauled off-site for disposal. Process wastewater would be conveyed by gravity to an evaporation pond on the east side of the proposed Midway plant site. Residue would be analyzed and disposed of in an appropriate landfill system.

Air emissions from the proposed facility would be controlled using best available control technology applied to each engine's exhaust. Each of the two FT8-3 SwiftPac CTGs would be equipped with water injection to the combustors for reducing production of NOx, a selective catalytic reduction system with a concentration of ammonia injection not to exceed 20 percent to further reduce NOx emissions and an oxidation catalyst to reduce carbon monoxide emissions. Final permitting by the Energy Commission would reflect conformance with rules and regulations of the San Joaquin Valley Air Pollution Control District and include the issuance of a Determination of Compliance from the District.

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

The Energy Commission is responsible for reviewing and ultimately approving or denying all applications to construct and operate thermal electric power plants, 50 MW and greater, 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 Energy Commission is the lead agency under the California Environmental Quality Act

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(CEQA), but it produces several environmental and decision documents rather than an Environmental Impact Report.

The first step in the review process is for Energy Commission staff 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. At that time, a detailed examination of the issues will occur.

Over the coming months, the Energy Commission will conduct a number of public workshops and hearings on the proposal to determine whether the proposed 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 days prior to the meeting.

### **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 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 **Tuesday, December 19, 2006**. Please address your comments to Che McFarlin, 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 3, 2007** 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 will continue to be valuable and 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, comments provided in response to this request during data adequacy are not reimbursable under Energy Commission guidelines.

Assuming that the proposed project is found to be data adequate on **January 3, 2007**, 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 3, 2007** (120 days) and **Monday, July 2, 2007** (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 proposed project, please contact Che McFarlin, Project Manager, at (916) 651-0965, or by email at [cmcfarli@energy.state.ca.us](mailto:cmcfarli@energy.state.ca.us). The status of the proposed project, copies of notices, electronic version of the AFC, and other relevant documents are also available on the Energy

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Commission's Internet web site at <http://www.energy.ca.gov/sitingcases/starwood>. You can also subscribe to receive e-mail notification of all notices at <http://www.energy.ca.gov/listservers>.

Sincerely,

A handwritten signature in black ink, appearing to read "Roger E. Johnson". The signature is fluid and cursive, with the first name "Roger" being the most prominent.

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

Enclosure