

CALIFORNIA ENERGY COMMISSION
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March 8, 2007

TO: AGENCY DISTRIBUTION LIST

REQUEST FOR AGENCY PARTICIPATION IN THE REVIEW OF THE VICTORVILLE 2 HYBRID POWER PROJECT, APPLICATION FOR CERTIFICATION (07-AFC-1)

On February 28, 2007, the City of Victorville submitted an Application for Certification (AFC) to construct and operate the Victorville 2 Hybrid Power Project (Victorville 2), a hybrid of natural gas-fired combined cycle generating equipment integrated with solar thermal generating equipment, in the City of Victorville, San Bernardino 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 addressed in the final decision of the California Energy Commission.

Project Description

The proposed Victorville 2 project would have a net electrical output of 563 megawatts (MW), with construction planned to begin in summer of 2008 and commercial operation planned by summer of 2010. Victorville 2 is designed to use solar technology to generate a portion of the project's output and thereby support the State of California's goal of increasing the percentage of renewable energy supplies. Primary equipment for the generating facility would include two natural gas-fired combustion turbine-generators (CTGs) rated at 154 MW each, two heat recovery steam generators (HRSGs), one steam turbine-generator (STG) rated at 268 MW, and 250 acres of parabolic solar-thermal collectors with associated heat transfer equipment. The solar-thermal collectors would contribute up to 50 MW of the STG's 268 MW output, and with plant auxiliary loads of about 13 MW, Victorville 2's net output would be 563 MW.

Construction of the proposed Victorville 2 would require three areas that total 388 acres, located immediately north of the Southern California Logistics Airport (SCLA) which is the site of the former George Air Force Base. Including the land required for the solar collectors, the footprint of the power plant would require grading of approximately 338 acres, and construction laydown would require two separate temporary areas of 20 and 30 acres each. The project site is situated approximately 3.5 miles east of Highway 395 and approximately 0.5 mile west of the Mojave River.

The proposed Victorville 2 facility would connect via a single-circuit three-phase 230-kV transmission line to the power grid through Southern California Edison's (SCE's) existing Victor Substation, located approximately 10 miles south-southwest of the proposed Victorville 2 Project site. Segment 1 of the overhead line, consisting of new steel poles and conductor, would run approximately 4.3 miles in a new right-of-way beginning at the southern boundary of the proposed Victorville 2 plant site and extending southeastward to a point along SCE's existing High Desert Power Project - Victor right-of-way. Segment 2 extends from this point for 5.7 miles to SCE's existing Victor Substation, and would consist of primarily installing conductor on existing towers having space available for a second circuit, except for three locations where new towers would be needed to cross under existing SCE transmission lines. To accommodate the proposed Victorville 2, segment 3 involves increasing the capacity of the existing SCE system

between SCE's Victor Substation and Lugo Substation, for a distance of approximately 11 miles south of the Victor Substation. This would require the relocation of 6.6 miles of an existing 115 kV transmission line within the same ROW, and installing new steel poles or lattice towers and conductor for 11 miles of the proposed 21-mile long 230-kV Victorville 2 project transmission line.

Natural gas would be delivered to the project through the Kern River-High Desert Power Project Lateral. The existing 24-inch natural gas pipeline runs adjacent to the southwestern corner of the proposed Victorville 2 site. The project would install a new 12-inch natural gas line to connect with the existing 24-inch line at a point adjacent to the southwest corner of the proposed site and extending approximately 450 feet beyond the boundary.

Process water needs would be met by the use of reclaimed water supplied by the Victor Valley Wastewater Reclamation Authority (VWVRA) via a new 1.5 mile, 14-inch pipeline extending from the reclaimed water production system at the VWVRA treatment plant located southeast of the proposed site. On an annual basis, the proposed Victorville 2 project would consume a maximum of about 3,150 acre-feet/year of reclaimed water for power plant processes, primarily serving cooling demand using an evaporative (wet) cooling tower and including use for parabolic mirror washing in the solar field. Potable water would be supplied to the proposed project by a new onsite well, serving drinking, sanitary and other washing needs, and requiring up to 3.6 acre-feet/year. Process wastewater would be treated using a zero liquid discharge system, separating water for reuse from solids in the form of brine that would be processed into solids for landfill disposal. Sanitary waste would be sent to the VWVRA treatment plant in a new 1.25-mile sanitary wastewater line.

Air emissions from the combustion of natural gas in the CTGs and duct burners of the HRSGs would be controlled using best available control technology applied to their exhaust. Oxides of nitrogen (NO_x) from the CTG's stack emissions would be controlled by dry low-NO_x combustors followed by a selective catalytic reduction system in the HRSGs. An oxidation catalyst located within each HRSG would also control carbon monoxide (CO) and volatile organic compounds (VOC). In order to be considered for licensing by the Energy Commission, the project would be required to conform with rules and regulations of the Mojave Desert Air Quality Management District and be issued a Determination of Compliance from the Air 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 (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

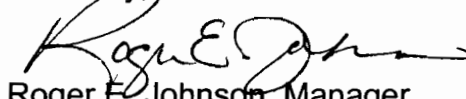
During this data adequacy phase, we request that you review the sections of interest to your agency and determine whether the major issues of concern have been identified. At this time, we are only concerned that such issues are disclosed, not necessarily that they be discussed in detail. We request that you provide any written comments you may have regarding the disclosure of potential issues of concern by **March 23, 2007**. Please address your comments to John Kessler, Project Manager, 1516 9th Street, MS-15, Sacramento, CA 95814, or email to jkessler@energy.state.ca.us. Your agency may also present its comments and recommendations in person at the Energy Commission's April 11, 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 April 11, 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 **July 10, 2007** (120 days) and **September 10, 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 John Kessler, Project Manager, at (916) 654-4679, or by email at jkessler@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 Commission's Internet web site at <http://www.energy.ca.gov/sitingcases/victorville2>. You can also subscribe to receive e-mail notification of all notices at <http://www.energy.ca.gov/listservers>.

Sincerely,



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

Enclosure