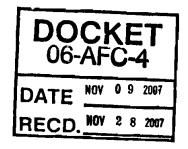


November 9, 2007

Mr. Donal O'Callaghan Director of Light & Power City of Vernon 4305 Santa Fe Avenue Vernon, CA 90058



Dear Mr. O'Callaghan:

South Coast Air Quality management Distinct (AQMD) has received your October 15, 2007 response to the requirements of amended Rule 1309.1 (c)(5)(B) and the letter from Mr. Mohsen Nazemi dated September 14, 2007 concerning renewable energy. For the Vernon Power Project (VPP) you were asked to provide documentation that VPP will comply with the renewable/alternative energy requirements of Rule 1309.1(c)(5)(B). In your above letter you have stated that renewable/alternative energy is not a viable option for the power to be generated at the VPP site.

After reviewing your above letter, AQMD sent you an e-mail, dated October 18, 2007, asking you to provide the detailed analysis about the alternate energy options, such as hydropower, wind power, wave power, solar power, geothermal energy etc. You response described that those were not viable options for the VPP. Your findings were based on site limitations, proximity to alternate sources of energy, intermittent nature of the renewable energy sources and economics.

Although this may be an appropriate analysis in certain circumstances, AQMD believes that in order to fully address and more importantly ensure compliance with the requirements of Rule 1309.1(c)(5)(B), a more specific analysis is required for all types of renewable/alternative energy technologies, specifically solar, wind and fuel cell technology. AQMD believes that the analysis should be conducted to see if renewable/alternative technology can be used to generate a reasonable amount of power on-site. A reasonable amount of power to be generated would be approximately 10% of total plant generating capacity, or 94 MW. This criterion is based on a power plant located in Victorville in which they are producing 10% of their power on-site through renewable energy technology.

> PROOF OF SERVICE (REVISED 10/17/07) FILED WITH ORIGINAL MAILED FROM SACRAMENTO ON 11/28/07 CF

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Your detailed analysis shall show all the renewable energy options described above and the analysis shall show why these alternate energy options not feasible for the VPP project. Please provide the detailed criterion used to reach your conclusion. You are requested to provide this detail analysis by November 30, 2007. If you have any questions, please call me. Thank you very much for your continued efforts and patience.

Sincerely Chandrashe har S. Bhatt

Air Quality Engineer Engineering & Compliance Division

CSB:JTY

CC: VPP File James Reede, CEC Krishna Nand, City of Vernon

C:/vpp-R-1309.1-compl-renewable-energy-analysis-req.doc

## BEFORE THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT COMMISSION OF THE STATE OF CALIFORNIA

APPLICATION FOR CERTIFICATION FOR THE VERNON POWER PLANT PROJECT BY THE CITY OF VERNON

DOCKET NO. 06-AFC-4 PROOF OF SERVICE LIST (REVISED 10/17/2007)

<u>INSTRUCTIONS:</u> All parties shall (1) file a printed, original signed document plus 12 copies OR file one original signed document and e-mail the document to the Docket address below, AND (2) all parties shall also send a printed OR electronic copy of the document, plus a proof of service declaration, to each of the entities and individuals on the proof of service list:

CALIFORNIA ENERGY COMMISSION Attn: DOCKET NO. 06-AFC-4 1516 Ninth Street, MS-4 Sacramento, CA 95814-5512 docket@energy.state.ca.us

## **APPLICANT**

Donal O'Callaghan Director of Light & Power City of Vernon 4305 So. Santa Fe Avenue Vernon, CA 90058 docallaghan@ci.vernon.ca.us rtoering@ci.vernon.ca.us

John Carrier, CH2M Hill Environmental Consultant 2485 Natomas Park Dr., #600 Sacramento, CA 95833-2937 john.carrier@ch2m.com

### **COUNSEL FOR APPLICANT**

Jeff A. Harrison, City Attorney City of Vernon 4305 So. Santa Fe Avenue Vernon, CA 90058 iharrison@ci.vernon.ca.us iharrison@karnskarabian.com

Michael Carroll, Counsel for Vernon Latham & Watkins 650 Town Center Drive, 20th Floor Costa Mesa, California 92626-1925 michael.carroll@lw.com

### **INTERESTED AGENCIES**

City of Huntington Park Att: Albert Fontanez, Asst Planner 6550 Miles Avenue Huntington Park, CA 90255 afontanez@huntingtonpark.org

City of Maywood Att: Felipe Aguirre & Edward Ahrens 4319 E. Slauson Ave Maywood Ca 90270 faguirre@cityofmaywood.com eahrens@cityofmaywood.com

Electricity Oversight Board Att: Eric Saltmarsh 770 L Street, Suite 1250 Sacramento, CA 95814 esaltmarsh@eob.ca.gov

Yolanda Garza & Christine Bucklin Dept. Toxic Substances Control 1011 N. Grandview Street Glendale, CA 91201 ygarza@dtsc.ca.gov cbucklin@dtsc.ca.gov

Mohsen Nazerni South Coast Air Quality Mgmt. District 21865 E. Copley Drive Diamond Bar, CA 91765-4182 <u>mnazemi1@agmd.gov</u> Jennifer Pinkerton City of Los Angeles Environmental Affairs Department 200 N. Spring St., Rm. 2005, MS 177 Los Angeles, CA 90012 jennifer.pinkerton@lacity.org

## **INTERVENORS**

California Unions for Reliable Energy Marc D. Joseph & Gloria D. Smith Adams Broadwell Joseph & Cardozo 601 Gateway Blvd., Suite 1000 South San Francisco, California 94080 gsmith@adamsbroadwell.com mdjoseph@adamsbroadwell.com

Ian Forrest, Esq., Counsel for Rite-Way Jeffer, Mangels, Butler & Marmaro LLP 1900 Ave of the Stars, 7<sup>th</sup> Fl. Los Angeles, CA 90067-4308 imf@jmbm.com

Irwin Miller, President Rite-Way Meat Packers, Inc. 5151 Alcoa Avenue Vernon, California 90058 irwin@rose-shore.com

Communities for a Better Environment Bahram Fazeli 5610 Pacific Boulevard, Suite 203 Huntington Park CA 90255 bfazeli@cbecal.org

Communities for a Better Environment Shana Lazerow & Philip Huang 1440 Broadway, Suite 701 Oakland, CA 94612 phuang@cbecal.org

Mothers of East L. A. Lucy Ramos, President P. O. Box 23151 Los Angeles, CA 90023

Antonia Mejia 3148 Aintree Lane Los Angeles, CA 90023 Teresa Marquez, President Boyle Heights Resident Homeowners Association, Inc. 3122 East 3<sup>rd</sup> Street Los Angeles, CA 90063

Miguel Alfaro 2818 East Guirado Street Los Angeles, Ca 90023

David Pettit Tim Grabiel Natural Resources Defense Counsel 1314 Second Street Santa Monica, CA 90401 <u>dpettit@nrdc.org</u> tgrabiel@nrdc.org

### **ENERGY COMMISSION**

Jackalyne Pfannenstiel, Chair Presiding Committee Member jpfannen@energy.state.ca.us cgraber@energy.state.ca.us

James D. Boyd, Commissioner Associate Committee Member <u>iboyd@energy.state.ca.us</u>

Gary Fay Hearing Officer gfay@energy.state.ca.us

James W. Reede, Jr., Ed.D Siting Project Manager jreede@energy.state.ca.us

Jared Babula Staff Attorney jbabula@energy.state.ca.us

Public Adviser pao@energy.state.ca.us

# **DECLARATION OF SERVICE**

I, <u>Christina Flores</u>, deposited copies of the attached <u>Letter from SCAQMD</u> in the United States mail on <u>November 28, 2007</u>, at Sacramento, California with first-class postage thereon fully prepaid and addressed to those identified on the Proof of Service list above.

# <u>OR</u>

Transmission via electronic mail was consistent with the requirements of California Code of Regulations, title 20, sections 1209, 1209.5, and 1210. All electronic copies were sent to all those identified on the Proof of Service list above.

I declare under penalty of perjury that the foregoing is true and correct.

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Christina' Flores