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April 2, 2008

Christopher Meyer Project Manager California Energy Commission 1516 Ninth Street Sacramento, CA 95814-5512 DOCKET
07-AFC-4

DATE APR 0 2 2008

RECD. APR 0 2 2008

Subject:

Chula Vista Energy Upgrade Project (07-AFC-4)

Response to Environmental Health Coalition Data Requests 55 and 56

Dear Mr. Meyer:

Attached please find one original and 12 copies of MMC Energy, Incorporated's responses to the Environmental Health Coalition's Data Requests 55 and 56 for the Application for Certification for the Chula Vista Energy Upgrade Project (07-AFC-04).

If you have any questions about this matter, please contact me at (916) 286-0278 or Sarah Madams at (916) 286-0249.

Sincerely,

CH2M HILL

Douglas M. Davy, Ph.D. AFC Project Manager

m9mm

Attachment

cc: S. Madams

Supplemental Filing

Response to Environmental Health Coalition Data Requests 55 and 56

In support of the

Application for Certification

for the

Chula Vista Energy Upgrade Project

Chula Vista, California (07-AFC-4)

Submitted to the:

California Energy Commission

Submitted by:

With Technical Assistance by:



April 2008

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Introduction

Attached are MMC Energy Inc.'s (MMC's) responses to Environmental Health Coalition (EHC) Data Requests 55 and 56 regarding the Chula Vista Energy Upgrade Project (CVEUP) (07-AFC-4) Application for Certification (AFC). EHC served the data requests on March 13, 2008, as part of the Discovery Phase of California Energy Commission (CEC) site certification for the CVEUP project.

CVEUP_EHC_DRR_55-56.DOC 1 INTRODUCTION

Land Use (55-56)

Existing Plant Overhaul

55. The Special Use Permit staff report by the city of Chula Vista granting use of the limited industrial zone for a peaker plant on Main St and the Project Description section in the Negative Mitigation Declaration both state that, "major overhauls of the turbine generators and pollution control equipment will occur every two years" (Special Use Permit Staff Report, 09/26/00, p. 4-4). Please provide full and appropriate documentation confirming that such overhauls occurred in a timely manner as stated in the special use permit.

Response: In granting the Special Use Permit for the existing peaking power plant, the City of Chula Vista found that the project "...is desirable because it enhances the reliability of the electricity distribution system in the region..." and that it will "...contribute to the well being of the neighborhood or community." The supporting documentation for the permit includes in the project description a statement that "major overhauls of the turbine generators and pollution control equipment will occur every two years." For example, this language occurs:

- On page 2 of the June 23, 2000 Mitigated Negative Declaration, (page 4-27 of EHC's package of supporting information attached to the Data Request) in the "Project Description" section
- On page 2 of the July 20, 2000 Initial Study Checklist (page 4-31 of the EHC package) under "Land Use and Planning, Project Description."

The Data Request also refers to the Special Use Permit Staff Report of September 26, 2000 and references page 4-4 of the supporting information package, but that page is missing from the package.

The references to equipment overhauls in each case are made in sections labeled "Project Description." There is no recommendation by City Staff that this overhaul schedule be made a condition of approval. The overhaul schedule is not mentioned in the Initial Study/Negative Declaration as such and is not listed in the Conditions of Approval (pp. 4-68 and 4-69 of the supporting information) of the Owner Participation Agreement and is not a requirement of the existing plant's permit.

The purpose of the data request is presumably regarding a concern over potential air quality impacts, but Air Quality was not one of the discipline areas listed in the Initial Study/Negative Declaration as one of the "Environmental Factors Potentially Affected" (page 20 of the Environmental Checklist Form, page 4-49 of the data request supporting information package). Please also note that the statement that turbine and pollution control equipment overhauls would occur every two years is an approximation. In fact, turbine overhauls take place based on manufacturers' recommendations based on actual operating hours and numbers of startups and shutdowns, not on elapsed time. For the Pratt & Whitney TwinPac FT8, the recommended periods of time between overhauls are 25,000

hours of operation for hot section overhauls and 50,000 hours of operation for major overhauls.

Regardless of the time between overhauls, the new plant's emissions are strictly regulated under the project's permits from the California Energy Commission and San Diego Air Pollution Control District. MMC must continually prove, using Continuous Emissions Monitoring Equipment, that the project is operating within the emission limits of its permit. MMC will conduct regularly scheduled maintenance of the gas turbines and the pollution control equipment in accordance with the manufacturers' specifications and will continue to operate the plant in accordance with all applicable permits.

Special Use Permit

56. Please include a signed copy of the Special Use Permit.

Response: A signed copy of City of Chula Vista Redevelopment Agency Resolution No. 1699, titled:

Resolution of the Redevelopment Agency of the City of Chula Vista Adopting Mitigated Negative Declaration IS-00-39 and Approving an Application for Special Use Permit to Allow the Siting of a Peak Load Power Plant at 3497 Main Street

is included here as Attachment EHC-DR56-1.

Attachment EHC-DR56-1

Special Use Permit, Existing Peaking Power Plant

RESOLUTION NO. 1699

RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF CHULA VISTA ADOPTING MITIGATED NEGATIVE DECLARATION IS-00-39 AND APPROVING AN APPLICATION FOR A SPECIAL USE PERMIT TO ALLOW THE SITING OF A PEAK LOAD POWER PLANT AT 3497 MAIN STREET.

A. RECITALS

1. Project Site

WHEREAS, the parcel which is the subject matter of this resolution is represented in Exhibit A attached hereto and incorporated herein by this reference, and for the purpose of general description is located at 3497 Main Street ("Project Site"); and,

2. Project Applicant

WHEREAS, on March 21, 2000 a duly verified application for a special use permit to allow the siting of a Peak Load Power Plant (SUPS-00-08) ("Project") was filed with the City of Chula Vista Community Development Department by PG&E Dispersed Generation, LLC ("Applicant"); and

3. Project Description; Application for Special Use Permit

WHEREAS, Applicant requests permission to site the Project at the Project Site. The Project consists of one natural gas twinpak combustion turbine, gas compressor, electrical generator, and associated equipment within the perimeter of the property fenced and screened by landscaping; and,

Planning Commission Record on Application.

WHEREAS, the Planning Commission held a duly noticed Public Hearing to consider the Project application on August 9, 2000, and after considering all evidence and testimony presented recommended by a vote of 6-0 that the Redevelopment Agency approve a Special Use Permit for the Project, and,

5. Redevelopment Agency Record of Application

WHEREAS, a duly noticed public hearing on the Project was initially opened on August 22, 2000, continued to September 12, 2000, and held on September 26, 2000 before the Redevelopment Agency of the City of Chula Vista to receive the recommendation of the Planning Commission and to hear public testimony with regard to same.

NOW, THEREFORE, BE IT RESOLVED that the Redevelopment Agency does hereby find, order, determine and resolve as follows:

B. PLANNING COMMISSION RECORD

The proceedings and all evidence on the Project introduced before the Planning Commission at their public hearing on this project held on August 9, 2000 and the minutes and resolution resulting therefrom, are hereby incorporated into the record of this proceeding.

C. ENVIRONMENTAL DETERMINATION

The Planning and Environmental Manager prepared an Initial Study, and determined that project specific mitigation measures are required to reduce potential environmental impacts identified in the initial study to a less than significant level. A Mitigated Negative Declaration was prepared; and,

D. CERTIFICATION OF COMPLIANCE WITH CEQA

The Redevelopment Agency finds that the Mitigated Negative Declaration has been prepared in accordance with the requirements of the California Environmental Quality Act, and the Environmental Review Procedures of the City of Chula Vista.

The Redevelopment Agency finds that the Mitigated Negative Declaration reflects the independent judgement of the Redevelopment Agency of the City of Chula Vista and hereby adopts the Mitigated Negative Declaration.

E. SPECIAL USE PERMIT FINDINGS

The Redevelopment Agency of the City of Chula Vista does hereby make the findings required by the Agency 's Rules and Regulations for the issuance of special use permits, as herein below set forth, and sets forth, thereunder, the evidentiary basis that permits the stated finding to be made.

1. That the proposed use at the location is necessary or desirable to provide a service or facility which will contribute to the general well being of the neighborhood or the community.

The proposed peak load power plant is desirable because it enhances the reliability of the electricity distribution system in the region by more efficiently using the existing energy resources to generate electricity during peak demand periods.

 That such use will not under the circumstances of the particular case, be detrimental to the health, safety, or general welfare of persons residing or working in the vicinity or injurious to property or improvements in the vicinity.

An environmental analysis was performed for the project site in accordance with the provisions of the California Environmental Quality Act. As a result of that environmental analysis specific mitigation conditions have been placed upon the project. Said conditions are included in the Mitigated Negative Declaration for the project and are incorporated herein as conditions of approval for SUPS-00-08.

3. That the proposed use will comply with the regulations and conditions specified in the code for such use.

Special Use Permit SUPS-00-08 requires the permittee to comply with all the applicable regulations and standards specified in the Municipal Code for such use.

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

Application for Certification for the CHULA VISTA ENERGY UPGRADE PROJECT

Docket No. 07-AFC-4

PROOF OF SERVICE (Revised 01/03/08)

INSTRUCTIONS: All parties shall 1) send an original signed document plus 12 copies OR 2) mail one original signed copy AND e-mail the document to the web address below, AND 3) all parties shall also send a printed OR electronic copy of the documents that shall include a proof of service declaration to each of the individuals on the proof of service:

CALIFORNIA ENERGY COMMISSION Attn: Docket No. 06-AFC-07 1516 Ninth Street, MS-4 Sacramento, CA 95814-5512 docket@energy.state.ca.us

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DECLARATION OF SERVICE

I, <u>Haneefah Walker</u>, declare that on <u>April 2, 2008</u>, I deposited the required copies of the attached <u>Response to Environmental Health Coalition Data Requests 55 and 56</u> in the United States mail at Sacramento, California with first-class postage thereon fully prepaid and addressed to those identified on the Proof of Service list above. I declare under penalty of perjury that the foregoing is true and correct.

OR

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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