

CALIFORNIA ENERGY COMMISSION

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April 22, 2008

The Honorable John Benoit
California State Assembly
State Capitol, Room 4144
Sacramento, CA 94249-0064

DOCKET	
08-SPPE-1	
DATE	APR 22 2008
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Dear Assemblymember Benoit:

On March 19, 2008, the City of Riverside filed an application for a Small Power Plant Exemption (SPPE). The City of Riverside is seeking an exemption from the California Energy Commission's licensing requirements. If an exemption is granted, the applicant would need to secure the appropriate licenses and permits for the project from various local, state and federal agencies.

The City of Riverside, Riverside Public Utilities (RPU) proposes to build, own, and operate two simple cycle units at its Riverside Energy Resource Center (RERC) within the City of Riverside, California. The proposed gas-fired peaking project has a nominal generation capacity of approximately 95 megawatts (MW). The proposed project is an expansion of an existing 96 MW peaking facility exempted by the Energy Commission in 2004, which began operation in June 2006. The two new units, RERC Units 3 and 4, would be located adjacent to the first two units. RERC Units 3 and 4 would supply internal peaking needs of the City of Riverside primarily during summer peak electrical demands.

The proposed project site is owned by the City of Riverside and is located adjacent to, and on the east side of, the Regional Water Quality Control Plant (RRWQCP) in a light industrial/manufacturing area. RERC Units 3 and 4 would be located immediately north of Units 1 and 2 and would occupy approximately 2.2 acres of the 16 acre RERC site. The remaining rough graded, undeveloped portion of the RERC site would be used for construction laydown (approximately 5 disturbed acres in total).

RERC Units 3 and 4 would consist of two LM6000 PC SPRINT NxGen combustion turbine generators with Emission Control Modules (ECMs), the addition of two more bays to the existing RERC switchyard, the addition of two demineralized water storage tanks to the existing make-up water system, a new dispatch and scheduling building for RPU, and a water laboratory. Fin-fan coolers would be used for lube oil cooling, instead of relying on the cooling tower.

Natural gas fuel would be supplied to RERC Units 3 and 4 through the existing Southern California Gas metering station on the site property.

The primary source of raw water for the RERC Units 3 and 4 would be reclaimed water supplied by the RRWQCP. Potable water is not used for plant process water needs

during normal plant operations. RERC Units 3 and 4 would have the capability to use potable water as a backup for process needs in an emergency situation. In addition, the plant would recycle all process wastewater. The stormwater management system for RERC Units 3 and 4 would be integrated with the existing RERC stormwater management system which collects and routes stormwater to an on-site detention basin using a peripheral channel.

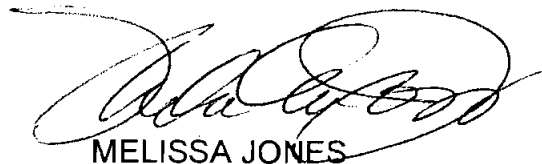
If approved, the proposed project would interconnect to the City of Riverside's 69kV sub-transmission system at the existing RERC switchyard. The switchyard would be expanded to add two more bays for connection of the two new generators. No new transmission facilities would be needed as part of the project.

Project construction would require a peak of about 100 workers, with commencement anticipated in the fourth quarter of 2008, and commercial operation of the first of the two new units anticipated in the summer of 2009. Completion of the second unit would follow as soon as possible after the first unit is available for dispatch. The total project costs are estimated at \$110 million.

We are available to brief you and your staff on the Energy Commission's Small Power Plant Exemption process and the specifics of the RERC application. If you would like a briefing, please contact Marni Weber, Acting Director, Office of Governmental Affairs at (916) 654-4942. If your constituents would like to participate in the Energy Commission's review of the project, they should contact the Energy Commission's Public Adviser's Office at (916) 654-4489, or toll free in California at (800) 822-6228, or by e-mail at pao@energy.state.ca.us

The status of the project, copies of notices, an electronic version of the SPPE, and other relevant documents are available on the Energy Commission's web site at http://www.energy.ca.gov/sitingcases/riverside_expansion. You can also subscribe to receive e-mail notification of all notices at <http://www.energy.ca.gov/listservers/index.html>.

Sincerely,



MELISSA JONES
Executive Director

Same letter sent to:

The Honorable Bob Dutton, California State Senate
The Honorable John F. Tavaglione, Supervisor, Riverside County

cc: Terrence O'Brien, Deputy Director, Facilities Siting Division