

## CALIFORNIA ENERGY COMMISSION

1516 NINTH STREET  
SACRAMENTO, CA 95814-5512  
www.energy.ca.gov



<b>DOCKET</b>	
<b>07-AFC-4</b>	
DATE	SEP 09 2008
RECD.	SEP 09 2008

September 9, 2008

Dear Librarian:

**DOCUMENT HANDLING FOR THE CHULA VISTA ENERGY UPGRADE PROJECT  
(07-AFC-4)**

The enclosed Final Staff Assessment (FSA) contains the California Energy Commission staff's final engineering and environmental evaluation of the proposed Chula Vista Energy Upgrade Project. Please make this FSA available for those who may wish to be informed about the project. We request that you not allow the FSA or any of its contents to be removed from the library. To increase accessibility of the document, we ask, if possible, that you cross reference it as a general reference work under the title and author categories, as well as under such subjects as "Energy Commission," "electricity energy/generation," "power plant siting," or any other relevant subject. Please retain the enclosed letter to the public behind the front cover of the FSA.

The Energy Commission's siting process is open to the public and incorporates the input of the public as well as local, state and federal agencies. To facilitate public participation in our review process, the Energy Commission distributes copies of staff documents such as the FSA to public libraries in communities near the proposed project, and in major cities throughout the state.

Thank you for your cooperation. If you have any questions, please contact Christopher Meyer, Project Manager, at (916) 653-1639, or by e-mail at: [cmeyer@energy.state.ca.us](mailto:cmeyer@energy.state.ca.us)

Sincerely,

A handwritten signature in black ink, appearing to read "Eric Knight".

Eric Knight, Manager  
Siting and Docket Office

Enclosure

**CALIFORNIA ENERGY COMMISSION**

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September 9, 2008

To: MEMBERS OF THE PUBLIC

**PUBLIC PARTICIPATION IN THE REVIEW OF THE CHULA VISTA ENERGY UPGRADE PROJECT FINAL STAFF ASSESSMENT (07-AFC-4)**

On August 10, 2007, MMC Energy, Inc. (MMC) submitted an Application for Certification (AFC) to construct and operate the Chula Vista Energy Upgrade Project (CVEUP) in the City of Chula Vista, San Diego County. The AFC seeks approval from the California Energy Commission to construct and operate a nominal 100-megawatt (MW) peaking power plant consisting of two (2) General Electric (GE) LM6000 natural gas-fired turbine-generators and associated equipment. The project site is located on a 3.8-acre parcel in the City of Chula Vista's Main Street Industrial Corridor and within the city's Light Industrial zoning district currently occupied by MMC's Chula Vista Power Plant, a 44.5-MW simple-cycle, natural gas-fired peaking power plant using Pratt & Whitney FT4 Twinpac™ technology. The proposed project would replace the existing power plant and, as part of the CVEUP, the existing power plant would be removed from the southern portion of the project parcel.

The enclosed Final Staff Assessment (FSA) contains the California Energy Commission staff's final engineering and environmental evaluation of MMC's proposed CVEUP. The FSA was published electronically on August 28, 2008. Energy Commission staff concludes that with the applicant's proposed mitigation measures and the staff's proposed conditions of certification, the CVEUP would not cause a significant adverse environmental or public health impact and would conform with all applicable laws, ordinances, regulations, and standards (LORS). The Energy Commission staff's findings are summarized as follows:

- The proposed project area is a highly disturbed area with no sensitive biological resources. The proposed laydown areas and linear facilities are similarly developed or barren. Direct impacts to biological resources at the project site are unlikely because of the developed nature of the area. However, construction activities in such close proximity of the Otay River Preserve, a Multiple Species Conservation Program open space and natural preserve area, pose potential indirect impacts to a number of special status species covered under the program. Implementation of the Energy Commission staff's proposed conditions of certification is necessary to avoid or minimize potential indirect impacts to biological resources. The project would not result in take of listed species and no wetlands or other waters of the United States would be directly impacted by the project. The construction and operation of the project would comply with all federal, state, and local laws, ordinances, regulations, and standards relating to biological resources if staff's conditions of certification are adopted and implemented.
- The proposed CVEUP, with the effective implementation of the recommended condition of certification, would be consistent with the applicable laws, ordinances, regulations, and standards pertaining to local land use planning and would not generate a significant impact under the California Environmental Quality Act (CEQA) guidelines

with respect to the act's Appendix G issues, "Land Use and Planning" and "Agriculture Resources." Energy Commission staff believes that the proposed project is consistent with the current development pattern for the area established by the Chula Vista General Plan, Municipal Code, and Southwest Area Redevelopment Plan. In addition, the proposed Chula Vista Energy Upgrade Project would be compatible with existing on-site or nearby uses, as it is consistent with the general character of these permitted uses and the planned development pattern for the City's Main Street Industrial Corridor.

- The San Diego Air Pollution Control District has determined that the project complies with the appropriate rules and requirements of the District and would not contribute to the degradation of air quality. The applicant has agreed to fund the creation of emission reduction credits through the Carl Moyer Fund, in sufficient quantity to fully offset all nonattainment pollutants and their precursors at a minimum ratio of 1:1. The applicant has also agreed to fund, separate from this CEQA process, an additional project mitigation program that would be paid to and administered by the City of Chula Vista.
- Staff evaluated the global climate change and greenhouse gas (GHG) emissions from the project. The CVEUP would replace a less efficient existing facility with lower emissions of carbon dioxide per megawatt hour. The project, as a peaking project with an enforceable operating limitation less than 60 percent of capacity, is not subject to the requirements of Senate Bill 1368 and the Emission Performance Standard. Staff recommends reporting of the GHG emissions as the California Air Resources Board develops greenhouse gas regulations and/or trading markets. The project may be subject to additional reporting requirements and GHG reductions as these regulations become more fully developed and implemented.
- The funding and implementation of the City of Chula Vista water conservation project would offset the potable water used for the power plant. Implementation of this water conservation project is consistent with the intent of Article X of the California State Constitution and the Warren-Alquist Act. The use of a municipal water supply for this project would comply with state water policy found in the State Water Resources Control Board (SWRCB) Resolution 75-58, and the Energy Commission's 2003 Integrated Energy Policy Report (IEPR) water policy since recycled water is currently not available in the project area and the cost for delivery is economically unsound. Staff recommends that the applicant evaluate the feasibility of converting to recycled water for the plant's nonpotable water uses if it is found to be available in the area during the life of the project.
- Transmission system impacts and appropriate mitigation have been fully identified at this point and are acceptable and would comply with all applicable laws, ordinances, regulations, and standards. The project interconnection to the grid would not result in downstream transmission impacts as a result of the Special Protection Schemes proposed by the applicant.
- With the proposed conditions of certification included in the various technical areas, the project's construction and operation impacts can be mitigated to a level less than significant.

### **Project Description**

The CVEUP would replace the existing older and less efficient technology with newer, more efficient equipment with lower emissions. This site is currently occupied by MMC's Chula Vista Power Plant, a 44.5-MW simple-cycle, natural gas-fired peaking power plant using Pratt & Whitney FT4 Twinpac™ technology. As part of the CVEUP, the existing power plant would be removed from the southern portion of the project parcel. The proposed plant, using GE LM6000 technology, would be constructed on vacant land in the northern portion of the parcel. Some of the facilities that serve the existing plant would be reused for the new power plant. These facilities include the existing transmission connection; natural gas, water, and sanitary sewer pipelines; fencing and sound attenuation wall; utility/control building; stormwater runoff retention basin; and the 12,000-gallon aqueous ammonia storage tank and tank refilling station. Once the new plant is constructed, the existing plant would be dismantled and removed. The existing power equipment would be sold for salvage and the foundations, piping, and other equipment associated with the existing plant would be removed.

Because the proposed CVEUP would reuse the existing electrical transmission, natural gas, water service, and sanitary sewer pipelines, the proposed project would have no new or modified offsite linear facilities. The existing plant connects to San Diego Gas and Electric's (SDG&E's) electrical transmission system at the Otay Substation, which is approximately 1,020 feet north of the project site. This connection consists of a 69-kilovolt (kV) single-circuit transmission line mounted on wooden poles that runs north from the project parcel along its western boundary.

The existing plant connects with the Sweetwater Authority's water supply system through a 4-inch-diameter onsite pipe. Project water uses would include turbine washes and process makeup, site landscape irrigation, and domestic and sanitary uses. The existing pipeline extends south from Main Street within an existing utility easement that runs in the access lane and connects the parcel with Main Street immediately to the east.

The CVEUP would also use the existing project's 8-inch-diameter sanitary wastewater pipeline that currently serves the project site located within a sanitary sewer easement that runs along the western boundary of the property.

### **Energy Facility Certification Process**

The Energy Commission is responsible for reviewing and ultimately approving or denying all applications for construction and operation of thermal electric power plants, 50 MW and greater, proposed for construction 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), and produces several environmental and decision documents rather than an Environmental Impact Report.

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The FSA contains the Energy Commission staff's environmental and engineering evaluation of the CVEUP and will serve as staff's testimony during evidentiary hearings. The Energy Commission Committee assigned to the CVEUP proceedings will consider and weigh the testimony, comments, or recommendations of all interested parties, including Energy Commission staff, the applicant, interveners, public, and other local, state, and federal agencies, before issuing the Presiding Member's Proposed Decision (PMPD) for consideration by the full Energy Commission. The public, intervenors, and local, state and federal agencies are encouraged to participate in these hearings. The Energy Commission has scheduled a hearing for 3:00 PM on October 2, 2008 at the City Hall Council Chambers in the City of Chula Vista as announced in a separate notice.

If you desire information on how to participate in the Energy Commission's review of the project, please contact Elena Miller, the Energy Commission's Public Adviser, at (916) 654-4489, toll free in California at (800) 822-6228, or by email at [pao@energy.state.ca.us](mailto:pao@energy.state.ca.us). Technical or project schedule questions should be directed to Christopher Meyer, Energy Commission Project Manager, at (916) 653-1639 or at [cmeyer@energy.state.ca.us](mailto:cmeyer@energy.state.ca.us). The status of the project, an electronic copy of the Application for Certification, the Preliminary Staff Assessment, the FSA, copies of notices, and other relevant documents are also available on the Energy Commission's web site at [www.energy.ca.gov/sitingcases/chulavista](http://www.energy.ca.gov/sitingcases/chulavista).

If you need reasonable accommodation in terms of American Disabilities Act assistance or for language translation, please contact Lourdes Quiroz of the Administrative Services Division at (916) 654-5146, or by e-mail at [lquiroz@energy.state.ca.us](mailto:lquiroz@energy.state.ca.us). News media inquiries should be directed to the Energy Commission's Media and Public Communications Office at (916) 654-4989 or by email at [mediaoffice@energy.state.ca.us](mailto:mediaoffice@energy.state.ca.us).

**Note: Please retain this letter behind the front cover of the FSA. Thank You.**