

CH2M HILL
2485 Natomas Park Drive
Suite 600
Sacramento, CA 95833
Tel 916-286-0207
Fax 916.286-3407



DOCKET 08-AFC-7	
DATE	<u>July 09 2009</u>
RECD.	<u>July 09 2009</u>

July 9, 2009

Alan Solomon
Project Manager
California Energy Commission
1516 Ninth Street
Sacramento, CA 95814-5512

Subject: Comments on the Preliminary Staff Assessment
 GWF Tracy Combined Cycle Power Plant Project (08-AFC-7)

On behalf of the GWF Energy LLC, please find attached 4 copies and one original GWF Tracy Comments on the Preliminary Staff Assessment.

Please call me if you have any questions.

Sincerely,

CH2M HILL

A handwritten signature in black ink, appearing to read "Jerry Salamy".

Jerry Salamy
Senior Project Manager

c: Proof of Service List

GWF Tracy Combined Cycle Power Plant Project

(08-AFC-7)

Comments on the Preliminary Staff Assessment

Submitted to
California Energy Commission

Submitted by
GWF Energy, LLC

July 2009

With Assistance from

CH2MHILL
2485 Natomas Park Drive
Suite 600
Sacramento, CA 95833

Contents

Section	Page
Introduction.....	1
General Comments.....	2
Air Quality.....	3
Biological Resources.....	4
Hazardous Materials Management, Public Health, and Socioeconomics.....	6
Hazardous Materials Management.....	6
Public Health.....	6
Socioeconomics.....	6
Land Use.....	7
Land Use.....	7
Soil and Water Resources.....	8
Traffic and Transportation.....	10
Power Plant Efficiency and Transmission System Engineering.....	11
Power Plant Efficiency.....	11
Transmission System Engineering.....	11

Introduction

Attached are GWF Energy LLC's (GWF or Applicant) comments on the California Energy Commission (CEC) staff's Preliminary Staff Assessment (PSA) dated June 9, 2009. The comments are presented in the same order as the CEC staff's PSA.

Additional documents submitted in response to a comment (i.e., stand-alone documents) are found at the end of this PSA comment submittal and are not sequentially page-numbered with the remainder of the document, though they may have their own internal page numbering system.

The Applicant looks forward to working cooperatively with CEC staff as GWF Tracy proceeds through the siting process. We trust that these responses address the staff's questions and remain available to have any additional dialogue the staff may require.

General Comments

GWF Energy, LLC (GWF) appreciates the hard work by Staff to prepare a comprehensive Preliminary Staff Assessment. However, GWF does have a number of clarifying comments presented below.

GWF provided an Interconnection System Impact Report (Report) prepared by the California Independent System Operator Corporation (CAISO) as Appendix 3A of the Application for Certification (AFC). This report indicated that three segments (labeled Segments 1, 2, and 3) of transmission line downstream of the first-point of interconnection required reconductoring. Subsequently, a second report was prepared by CAISO, docketed on June 15, 2009, indicating that one of the segments does not require reconductoring (Segment 1). Therefore, GWF requests that Staff revise the PSA to reflect this change. GWF believes that Staff's analysis of the impacts of the reconductoring activities needs to be included in the Final Staff Assessment to satisfy the Commission's California Environmental Quality Act obligations under the Warren Alquist Act. GWF also has specific comments to the biological assessment/mitigation requirements of the reconductoring impacts, which are addressed in its comments on the Biological Resources.

Air Quality

Page 4.1-16, Project Description and Proposed Emissions, 4th bullet: Please revise this bullet into two bullets to reflect that the inlet filtration system is existing and is not being altered. The second bullet should describe the new wet surface air cooler (WSAC) that is used for steam turbine generator lubricating oil system cooling and not for cooling of the combustion turbine generator inlet air.

Page 4.1-21, Air Quality Table 13 – The SO₂ emission rate for the Auxiliary Boiler is incorrect and it should be 0.16 lb/hr reflecting the expected SO₂ emissions resulting from the maximum natural gas sulfur content.

Page 4.1-22, 1st Paragraph - The reference to WSAC is incorrect. As noted above, the WSAC is used to cool the steam turbine generator lubricating oil, not the combustion turbine generator inlet air. Please revise the description of the project operating profile to correct this error.

Page 4.1-32, 2nd Paragraph – The Environmental Protection Agency Region IX (EPA) office issued a letter on June 22, 2009 indicating that San Joaquin Valley Air Pollution Control District (APCD) has satisfactorily responded to EPA’s comments on the Preliminary Determination of Compliance (PDOC). Please revise this paragraph to reflect the project’s compliance with applicable Laws, Ordinances, Regulations, and Standards (LORS).

Page 4.1-36, 1st Paragraph - The Environmental Protection Agency Region IX (EPA) office issued a letter on June 22, 2009 indicating that San Joaquin Valley Air Pollution Control District (APCD) has satisfactorily responded to EPA’s comments on the Preliminary Determination of Compliance (PDOC). Please revise this paragraph to reflect the project’s compliance with applicable Laws, Ordinances, Regulations, and Standards (LORS).

Page 4.1-39, Local, 3rd and 4th Paragraphs - The Environmental Protection Agency Region IX (EPA) office issued a letter on June 22, 2009 indicating that San Joaquin Valley Air Pollution Control District (APCD) has satisfactorily responded to EPA’s comments on the Preliminary Determination of Compliance (PDOC). Please revise this paragraph to reflect the project’s compliance with applicable Laws, Ordinances, Regulations, and Standards (LORS).

Page 4.1-90, 1st full paragraph, 1st sentence – GWF incorporated an auxiliary boiler into the project design to decrease the duration of hot and warm start up events. However, the auxiliary boiler is not able to reduce cold start up duration. Please clarify the 1st sentence to indicate that fast start capabilities are used for warm and hot starts of the facility.

Biological Resources

Page 4.2-1, 3rd Paragraph – GWF docketed (January 23, 2009) a description of the two potential HCP that can provide coverage of potential project impacts (transmission line reconductoring impacts). GWF received correspondence from Pacific Gas & Electric Company (PG&E) that it would perform the transmission line reconductoring under its San Joaquin Valley Habitat Conservation Plan (HCP) (which provides take coverage for both federal and state listed species). The HCP includes transmission line reconductoring as a covered activity in the plan. During the June 23rd PSA Workshop, Staff expressed a concern that the HCP may not provide coverage due to issues raised on other licensing cases proposing to use PG&E’s HCP. GWF has reviewed the HCP and notes that it limits coverage for minor new construction up to 1 mile (aggregate) but this limitation does not exist for electrical system reconductoring activities.¹

Page 4.2-10, Construction Impacts and Mitigation, 1st Paragraph – Figure 1.1-4 of the AFC only identifies one temporary laydown area not two. Please revise as appropriate.

Pages 4.2-15, -16 and 17, Reconductoring Impacts – GWF provided a description of the reconductoring process and the maximum expected area of disturbance² that is likely an over-assessment of the potential reconductoring impacts. As noted above, the reconductoring work is expected to be performed by PG&E and design documentation is not expected to be available for more than a year. GWF suggests that Commission Staff can base the biological resource impact assessment on the reconductoring description provided. Please revise the Section Reconductoring Impacts to reflect the description of the maximum expected areas disturbed and the biological resources coverage/mitigation under PG&E’s HCP.

Page 4.2-19, Avian Collision – GWF docketed the FAA’s Determination of No Hazard to Air Navigation docketed on June 17, 2009. This filing indicates that marking and lighting of the exhaust stacks is not required. GWF is not proposing to install night-time lighting on the exhaust stacks or catwalks (used for conducting air emissions testing and continuous emissions monitoring maintenance). Any task lighting on the catwalks will be only be used when work is being performed, which is not expected to occur at night.

Page 4.2-21, Compliance with LORS, 2nd Paragraph – In light of the decision by PG&E to perform the reconductoring work under their HCP, please revise this paragraph to reflect these facts.

¹ Partial definition of Minor New Construction from the HCP (Page 2-1) - *Minor Construction Activities include installing new or replacement structures to upgrade existing facilities or to extend service to new customers. These activities are limited to 1 mile or less of new electric or gas line and 0.5 acre or less of permanent facilities (substations). The length of service extension allowed under minor new construction is understood as a total length of 1 mile from the current terminus of an existing line, regardless of the nature of the facilities involved. Multiple consecutive (end-to-end) extensions with a total length exceeding 1 mile would not be covered under the proposed HCP.*

² See Workshop Informal Data Request, docketed on January 23, 2009 (Docket Log # 49841).

Page 4.2-29, Condition of Certification BIO-8, Bullet 4 - Please revise to reflect the coverage provided by PG&E's HCP for the transmission line reconductoring.

Pages 4.2-30 to -31, Condition of Certification BIO-11 - Please revise to reflect the coverage provided by PG&E's HCP for the transmission line reconductoring.

Hazardous Materials Management, Public Health, and Socioeconomics

Hazardous Materials Management

Page 4.4-5, Location of Exposed Populations and Sensitive Receptors - The Tracy Unified School District is expected to complete the construction of the John C. Kimball High School for fall 2009 enrollment. The high school is located at 3200 Jaguar Run, Tracy, California and is approximately 1.7 miles from the project site³.

Public Health

Page 4.7-3 Site and Vicinity Descriptions - The Tracy Unified School District is expected to complete the construction of the John C. Kimball High School for fall 2009 enrollment. The high school is located at 3200 Jaguar Run, Tracy, California and is approximately 1.7 miles from the project site.

Socioeconomics

Page 5.8-6, Schools - The Tracy Unified School District is expected to complete the construction of the John C. Kimball High School for fall 2009 enrollment. The high school is located at 3200 Jaguar Run, Tracy, California and is approximately 1.7 miles from the project site.

³ See Tracy Unified School District's website for a map of the school location.
<http://www.tracy.k12.ca.us/business%20files/High%20School%20Boundaries%20Oct%2020%202008.pdf>

Land Use

Land Use

Page 4.5-3, Other Project-Related Facilities. Transmission line Segment 1 no longer requires reconductoring (See General Comments).

Soil and Water Resources

Page 4.9-1, Last Bullet – GWF will design and construct the storm water basin consistent with the more stringent of the regulatory requirements of both the Regional Water Quality Control Board and San Joaquin County. GWF proposes to design the storm water basin with the required 1 foot of freeboard.

Page 4.9-2, 1st Bullet – GWF will use the Tracy Peaking Project’s existing connection to the Delta Mendota Canal for all construction water uses.

Pages 4.9-6 and 7, Water Supply during Construction – GWF will use the Tracy Peaking Project’s existing connection to the Delta Mendota Canal for all construction water uses. The maximum expected volume of pipeline/hydrostatic testing water use will be when the heat recovery steam generators (HRSG) are tested. Each HRSG is expected to require 40,000 gallons of water for hydrostatic testing, for a total of 80,000 gallons for the two HRSGs.

Page 4.9-16, 1st Paragraph, Last Sentence – GWF is not proposing to install gravel. Wind erosion will be controlled by implementing the fugitive dust control Conditions of Certification AQ-SC1 to AQ-SC8.

Page 4.9-24, 1st Paragraph – As the Staff noted during the June 23, 2009 PSA Workshop, Byron Bethany Irrigation District identified GWF’s water allocation as a Municipal and Industrial use. Please revise this discussion to reflect this clarification.

Pages 4.9-25 and -26, Backup Water – Staff indicates a concern that if water allocations are reduced below levels required to operate the inlet air evaporative coolers, it could impact generation during peak electrical demand periods and that a backup water supply should be evaluated. GWF has reviewed the potential water supplies available and has not identified a feasible backup source. In reviewing the potential derating of the plant in the event that sufficient water is not delivered, GWF presents the following table showing the performance loss if sufficient water needed to operate the combustion turbine inlet air evaporative coolers is not delivered. As shown, the reduction in plant performance (as measured by heat rate) due to not operating the evaporative coolers is insignificant.

GWF Tracy Performance Loss Without Operation of the Evaporative Cooler

Case	59 °F Duct Fired	59 °F	98 °F Duct Fired	98 °F	115 °F Duct Fired	115 °F
Output with Evaporative Coolers On (Megawatts)	314	252	296	232	278	216
Output with Evaporative Coolers Off (Megawatts)	310	248	280	216	262	199
Performance Loss (Megawatts)	4	4	16	16	16	17
Heat Rate - HHV with Evaporative Coolers On	8,384	7,873	8,515	8,049	8,755	8,280
HHV HR with Evaporative Coolers Off	8,381	7,863	8,525	8,049	8,778	8,295
Heat Rate Increase (BTU/kWh)	-3.3	-10	10	0	23	15
Water usage difference (gpm)	21	21	49	49	50	50

Traffic and Transportation

Page 4.10-21, Conclusions, Bullets 3 and 4 – Please delete bullet 3 as GWF filed the Form 7460 as Attachment Traffic-1 of the Data Adequacy Supplement (Docket Log # 47928). Please delete bullet 4 as GWF filed the FAA’s Determination of No Hazard to Air Navigation docketed on June 17, 2009.

Page 4.10-23, Condition of Certification TRANS-2 – As noted above, the information requested in TRANS-2 has been provided and this condition is no longer required.

Page 4.10, Condition TRANS-3, Verification – The Verification requires GWF submit approvals from the Federal Aviation Administration and Tracy Municipal Airport demonstrating compliance with TRANS-3 requirements. GWF does not oppose this requirement but is concerned that operation of the plant could be postponed due to action by these agencies outside GWF’s control. GWF proposes the following revisions to TRANS-3 Verification.

Verification: At least 60 days prior to start of project operation, the project owner shall submit to the CPM for review ~~and approval a letter from~~ copies of requests to the FAA and TCY showing requesting the incorporation of the project into the NOTAM, Terminal Area Chart, and Airport Facility Directory and any subsequent correspondence with these organizations ~~compliance with these measures.~~

Power Plant Efficiency and Transmission System Engineering

Power Plant Efficiency

Page 5.3-1, Last Sentence - The steam turbine is not a reheat type unit and the section should be revised to indicate a "new steam turbine".

Page 5.3-3, Project Configuration 2nd Line - The steam turbine is not a reheat type unit and the section should be revised to indicate a "new steam turbine".

Transmission System Engineering

Page 5.5-1, Segment 1 of the re-conducted transmission line is no longer required.

Page 5.5-8, Segment 1 of the re-conducted transmission line is no longer required.



**BEFORE THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT
COMMISSION OF THE STATE OF CALIFORNIA
1516 NINTH STREET, SACRAMENTO, CA 95814
1-800-822-6228 – WWW.ENERGY.CA.GOV**

**APPLICATION FOR CERTIFICATION
FOR THE *GWF TRACY COMBINED CYCLE
POWER PLANT PROJECT***

**Docket No. 08-AFC-7
PROOF OF SERVICE**

(Revised 2/25/2009)

APPLICANT

Doug Wheeler, Vice President
GWF Energy, LLC
4300 Railroad Avenue
Pittsburg, CA 94565
dwheeler@gwfpower.com

APPLICANT'S CONSULTANTS

Jerry Salamy, Consultant
Senior Project Manager, CH2M HILL
2485 Natomas Park Drive
Sacramento, CA 95833
Jerry.Salamy@CH2M.com

David A. Stein, P.E.
Vice President, Industrial Systems
CH2M HILL
155 Grand Avenue, Suite 1000
Oakland, CA 94512
dstein@ch2m.com

COUNSEL FOR APPLICANT

Michael J. Carroll
Latham & Watkins, LLP
650 Town Center Drive, 20th Floor
Costa Mesa, CA 92626-1925
michael.carroll@lw.com

INTERESTED AGENCIES

California ISO
e-recipient@caiso.com

INTERVENORS

Howard Seligman, Esq.
Seligman & Willett, Inc
7540 Shoreline Drive
Stockton, CA 95219
hselitenni@aol.com

Mr. Robert Sarvey
501 W. Grantline Road
Tracy, California 95376
sarveybob@aol.com

ENERGY COMMISSION

*KAREN DOUGLAS
Chair and Presiding Member
kldougla@energy.state.ca.us

ARTHUR H. ROSENFELD
Commissioner and Associate Member
arosenfe@energy.state.ca.us

Raoul Renaud
Hearing Officer
rrenaud@energy.state.ca.us

*Alan Solomon
Project Manager
asolomon@energy.state.ca.us

Kerry Willis
Staff Counsel
kwillis@energy.state.ca.us

Elena Miller
Public Adviser's Office
publicadviser@energy.state.ca.us

DECLARATION OF SERVICE

I, Mary Finn, declare that on July 9, 2009, I served and filed copies of the attached Comments on the Preliminary Staff Assessment. The original document, filed with the Docket Unit, is accompanied by a copy of the most recent Proof of Service list, located on the web page for this project at:

[<http://www.energy.ca.gov/sitingcases/tracyexpansion/index.html>]. The document has been sent to both the other parties in this proceeding (as shown on the Proof of Service list) and to the Commission's Docket Unit, in the following manner:

(Check all that Apply)

For service to all other parties:

sent electronically to all email addresses on the Proof of Service list;

by personal delivery or by depositing in the United States mail at Sacramento, California with first-class postage thereon fully prepaid and addressed as provided on the Proof of Service list above to those addresses **NOT** marked "email preferred."

AND

For filing with the Energy Commission:

sending an original paper copy and one electronic copy, mailed and emailed respectively, to the address below (preferred method);

OR

depositing in the mail an original and 12 paper copies, as follows:

CALIFORNIA ENERGY COMMISSION

Attn: Docket No. 08-AFC-7
1516 Ninth Street, MS-4
Sacramento, CA 95814-5512

docket@energy.state.ca.us

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



Mary Finn