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Re:

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September 27, 2010

DOCKET09-AFC-2

DATE SEP 27 2010

RECD. SEP 27 2010

Commissioner Karen Douglas, Presiding Member and Chair Commissioner Anthony Eggert, Associate Member Hearing Officer Kourtney Vaccaro Almond 2 Power Plant Project (09-AFC-2) California Energy Commission 1516 Ninth Street Sacramento, CA 95814

Almond 2 Power Plant Project (09-AFC-2): Water Supply and Discharge
Hypotheticals - City of Ceres and the Central Valley Regional Water Quality
Control Board

Dear Commissioner Douglas, Commissioner Eggert, and Hearing Officer Vaccaro:

At the September 16, 2010, Status Conference, the Hearing Officer asked the Applicant to provide additional information to address certain issues that had been raised regarding water issues. Specifically, the Hearing Officer suggested that the Applicant and Staff may be well-served to augment the factual record "with respect to the water that is coming from the Ceres Wastewater Treatment Plant and the discharge facts." (9/16 RT 10.)

The Applicant has maintained during the A2PP licensing proceeding, that discussions regarding potential future regulations promulgated by the Central Valley Regional Water Quality Control Board ("CVRWQCB") affecting the City of Ceres Wastewater Treatment Plant ("WWTP") over the life of the A2PP project are speculative.

The CVRWCB currently has no plans to modify the City of Ceres WWTP Waste Discharge Requirements ("WDRs"). Attached is a Record of Conversation between Vijay Kumar, CH2M-Hill Senior Water Engineer and Mr. Robin Merod, Water Resources Control Engineer with the CVRWQCB. As stated in the Record of Conversation, the CVRWQCB confirms that there are no impending changes or updates to the City of Ceres WWTP WDRs. Mr. Merod also confirmed that there are no WDR changes in Stanislaus County, in which the City of Ceres WWTP is located, which would affect the Ceres WWTP's WDRs. Mr. Merod

Commissioner Karen Douglas, Presiding Member and Chair Commissioner Anthony Eggert, Associate Member Hearing Officer Kourtney Vaccaro September 27, 2010 Page 2

oversees facilities with WDRs, including the City of Ceres WWTP, and confirmed that he was the appropriate person for Mr. Kumar to speak to regarding this issue.

The Applicant is a customer of the City of Ceres. If, under the hypothetical, the City of Ceres WWTP were unable to provide wastewater services due to modifications to its WDRs, the Applicant would be one among many customers similarly situated. It is difficult to postulate hypothetical scenarios that would prevent the customers of the City of Ceres, including the residential customers, from availing themselves to discharge facilities. Assuming, nevertheless, this hypothetical, the Applicant would be required to evaluate alternative wastewater discharge methods and/or supplies. The alternatives that could be examined under this hypothetical include, for example, the following:

- Zero Liquid Discharge
- Discharge wastewater to front end of City of Ceres WWTP for additional treatment
- Discharge wastewater to City of Turlock WWTP
- Eliminate the Reverse Osmosis system and increase use of demineralizer trailers
- Use surface water from adjacent TID canal

If there were modifications to the City of Ceres WWTP WDRs which affected the A2PP, the Applicant would evaluate each of the items identified above and determine which would be most feasible. Of course, any modification to the A2PP wastewater discharge system that could result in the future due to changed circumstances that are currently unforeseeable would require the Applicant to file a project amendment with the CEC.

Thank you for the opportunity to respond to this inquiry. Should you have any questions, I can be reached at (916) 447-2166.

Sincerely,

Jeffery D. Harris

Ellison, Schneider & Harris L.L.P.

Attorneys for Turlock Irrigation District

CH2MHILL TELEPHONE CONVERSATION RECORD

Call To: CVRWQCB, Various Staff

Call From: Vijay Kumar Time: 10AM, 3:45PM, 4:30PM

Message

Taken By: Vijay Kumar

Subject: TID & City of Ceres WWTP WDR

I called Central Valley Regional Water Quality Control Board (CVRWQCB) staff, Mr. James Marshall, Senior Water Resources Control Engineer on Tuesday September 21, 2010 around 10 am and left a message on Mr. Marshall's voice mail. The purpose of the call was to discuss and obtain an update on the City of Ceres' Wastewater Treatment Plant (WWTP) Waste Discharge Requirements (WDR).

Since Mr. Marshall mainly deals with the National Pollutant Discharge Elimination System (NPDES) permit issues, he referred my voice message to Mr. Robin Merod of the CVRWQCB. Mr. Merod and I discussed the City of Ceres WDR on Tuesday September 21, 2010 around 3.45 pm.

I explained to Mr. Merod that I am from CH2M HILL and calling on behalf of the Turlock Irrigation District (TID) and we provide engineering and permitting support for TID Projects. I provided an update to Mr. Merod about the water discharge from TID's power facilities to the Ceres WWTP. Then, I asked Mr. Merod whether he is aware of any impending changes or updates to the existing WDR. Mr. Merod confirmed that to his knowledge, there is no impending changes or updates to the existing Ceres WWTP WDR.

Mr. Merod works in the Non 15 Permitting Section of the Central Valley Regional Water Quality Control Board. Mr. Merod confirmed that this section deals with Land Application issues and groundwater items. In other words, this is not related to NPDES Permit since NPDES Permit section (such as Mr. James Marshall's section) mainly deals with the discharge to the water of the United States as defined by the Clean Water Act (or point source discharge). Since the City of Ceres WWTP has no discharge to the waters of the United States and it is discharged through percolation ponds, Mr. Merod confirmed that he is the correct staff person to discuss about Ceres WWTP WDR items.

I again contacted Mr. Merod on Wednesday September 22, 2010 around 4.30 pm to inform him that the proposed power facility is located at the Stanislaus County since the CVRWQCB maintains all of their permits on a County by County basis. Mr. Merod referred to their internal list that keeps track of WDRs in the Central Valley and again confirmed that there are no impending changes or updates to the Ceres WWTP WDR in the near future.

STATE OF CALIFORNIA

Energy Resources Conservation and Development Commission

Application for Certification for the)	
TID ALMOND 2 Power Plant Project)	Docket No. 09-AFC-2
)	
)	

PROOF OF SERVICE

I, Karen A. Mitchell, declare that on September 27, 2010, I served the attached letter re Almond 2 Power Plant Project (09-AFC-2): Water Supply and Discharge Hypotheticals - City of Ceres and the Central Valley Regional Water Quality Control Board via electronic and U.S. mail to all parties on the attached service list.

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

Karen A. Mitchell

SERVICE LIST 09-AFC-2

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