

LOS MEDANOS ENERGY CENTER, LLC

717 Texas Avenue, Suite 1000
Houston, TX 77002

April 19, 2011

Mr. Joe Douglas
Compliance Project Manager
California Energy Commission
1516 Ninth Street, MS-15
Sacramento, CA 95814

DOCKET

98-AFC-1C

DATE Apr 19 2011

RECD. Apr 19 2011

RE: PETITION TO AMEND THE COMMISSION DECISION FOR THE LOS MEDANOS ENERGY CENTER

DOCKET NO. 98-AFC-1C

Dear Mr. Douglas:

Pursuant to Section 1769 of the California Energy Commission (CEC) Siting Regulations, Los Medanos Energy Center ("LMEC") hereby submits the attached Petition for a Staff Approved Project Change to Amend Docket No. 98-AFC-1C. The requested changes do not effect the project description or any Conditions of Certification in the Commission Decision or subsequent amendments.

The Los Medanos Energy Center (LMEC) plans to make efficiency improvements to the Advanced Gas Path (AGP) on the existing turbines S-1 and S-3. The efficiency improvements will be obtained by increasing the turbine firing temperature, thereby generating more power from the same amount of fuel. The planned improvements may result in an increase to the nominal load of each turbine to a "nominal 190 MW". The facility will continue to meet all existing heat input and emissions limits established in the existing permits, and neither the original decision nor subsequent amendments specify or limit the output of the combustion turbines. Although LMEC does not believe the proposed efficiency improvements constitute a project change that requires amendment of the Commission's certification, based on prior communications with CEC Staff, LMEC is submitting this petition.

In preparation for performing the AGP upgrade, applications for alteration of LMEC's Permit to Operate and Title V Administrative Amendment were filed with the Bay Area Air Quality Management District ("District") on December 2, 2010. Angelique Juarez-Garcia at the CEC was copied on these applications.

The proposed changes will not impact the environment, will not conflict with any applicable laws, ordinances regulations and standards, and the improvements do not result in significant changes in operation. Also, these improvements do not require any changes in the project description or Conditions of Certification as set forth in the 1999 Commission Decision, as most recently amended on September 30, 2008.

Please do not hesitate to contact me if you have any further questions regarding the AGP efficiency improvement or this petition.

Sincerely,



Barbara McBride

cc: Christine Stora

LOS MEDANOS ENERGY CENTER APPLICATION FOR A STAFF APPROVED PROJECT CHANGE

As required by Section 1769 of the CEC Siting Regulations, Los Medanos Energy Center, LLC (“LMEC”) hereby submits the following information in support of a staff approved project change.

Pursuant to Section 1769 (a)(1)(A) and (B), this section provides a complete description of the proposed modifications, including new language for affected conditions, and the necessity for the modifications.

The Los Medanos Energy Center (LMEC) plans to make efficiency improvements to the Advanced Gas Path (AGP) on the existing turbines S-1 and S-3. The improved efficiency will be obtained by increasing the turbine firing temperature, generating more power from the same amount of fuel. Because the existing hot gas path components such as turbine blades, nozzles, and associated structural elements are not designed to operate at such high temperatures, these will be replaced. The replacement components will be functionally identical to the existing equipment except that they will be made from advanced materials that can withstand higher temperatures. To support the higher operational temperatures, additional temperature sensors, instrumentation, controls, blowers and piping will be added to the turbine package.

The project will not affect the operation of the low NO_x combustors, the oxidation catalyst, or the selective catalytic reduction emissions control systems. The facility will also continue to meet all existing heat input and emissions limits established in the existing air permits. Because of the harsh environment in which they operate, hot gas path components are regularly replaced according to industry accepted maintenance cycles. The existing hot gas path components are currently scheduled to be replaced during the next major outage in May 2011. Therefore, this proposed efficiency improvement is consistent with the anticipated regular maintenance of the existing turbines.

The planned improvements may result in an increase to the nominal load of each turbine to a “nominal 190 MW.” However, for the purposes of the LMEC’s CEC license, the license does not specify or limit the output of each turbine. The Commission license specifies the equipment that is licensed, but the license does not set a cap or limit on the output of individual turbines nor set a cap or limit on the total output of the facility.

This proposed modification is necessary to improve the efficiency of LMEC. Also, as described, the existing hot gas path components are due for replacement regardless of LMEC’s efforts to conduct such maintenance in a manner that improves the plant efficiency.

No conditions of certification that specify or limit the output of the facility, and neither the original decision nor subsequent amendments specify or limit the output of the combustion turbines. Therefore, there the proposed AGP efficiency improvements do not affect any conditions of certification.

Pursuant to Section 1769(a)(1)(C), a discussion is required if the modification is based on information that was known by the petitioner during the certification proceeding, and an explanation of why the issue was not raised at that time.

The AGP efficiency improvement was not available at the time of the certification of LMEC.

Pursuant to Section 1769(a)(1)(D), a discussion is required on whether the modification is based on new information that changes or undermines the assumptions, rationale, findings, or other bases of the final decision, and explanation of why the change should be permitted.

The availability of the AGP efficiency improvement does not change or undermine the assumptions, rationale, findings, or other bases of the final decision.

The change should be permitted as there are no significant impacts as a result of the AGP upgrade. The change will increase the efficiency of the existing plant and no Conditions of Certification will be affected.

Pursuant to Section 1769(a)(1)(E), an analysis of the impacts the modifications may have on the environment and proposed measures to mitigate any significant adverse impacts is required.

The facility will continue to meet all existing heat input and emissions limits established in the final decision, and in the existing air permits. The proposed changes will not result in any significant adverse environmental impact.

Pursuant to Section 1769(a)(1)(F), a discussion of the impact of the modification on the facility's ability to comply with applicable laws, ordinances, regulations, and standards is required.

LMEC submitted to the Bay Area Air Quality Management District ("District") applications for alterations of the Permit to Operate and a Title V Administrative Amendment in anticipation of performing the AGP efficiency improvements on December 2, 2010. Angelique Juarez-Garcia at the CEC was copied on these applications.

Besides obtaining the necessary air permit amendments from the District, the proposed AGP efficiency improvement will not have an impact on the facility's ability to comply with applicable laws, ordinances, regulations and standards. .

Pursuant to Section 1769(a)(1)(G), a discussion of how the modifications affect the public is required.

The proposed modifications to the conditions of certification will not adversely affect the public. These proposed modifications do not result in new construction or other physical changes to the environment and do not negatively impact air quality or public health. There are no significant adverse effects on property owners that will result from the adoption of the changes proposed.

Pursuant to Section 1769(a)(1)(H), a list of property owners potentially affected by the modification is required.

The proposed AGP upgrade will have no significant environmental effects and will be in compliance with applicable LORS. Therefore, no property owners will be affected by the modifications.

Pursuant to Section 1769(a)(1)(I), a discussion of the potential effect on nearby property owners, the public and the parties in the application proceedings is required.

The proposed AGP efficiency improvements will have no significant environmental effects and will be in compliance with applicable LORS. Therefore, the proposed changes will have no impact on property owners, the public, or any other parties.