

Memorandum

Date: January 13, 2012
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DOCKET	
11-AFC-3	
DATE	JAN 13 2012
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To: Commissioner Karen Douglas, Presiding Member
Commissioner Carla Peterman, Associate Member

From: **California Energy Commission -** Eric Solorio
1516 Ninth Street Siting Project Manager
Sacramento, CA 95814-5512

Subject: QUAIL BRUSH GENERATION PROJECT (11-AFC-3) ISSUES IDENTIFICATION REPORT

Attached is staff's Issues Identification Report for the Quail Brush Generation Project (11-AFC-3). This report serves as a preliminary scoping document that identifies the issues that the California Energy Commission staff believes will require careful attention and consideration. Energy Commission staff will present the Issues Identification Report at the Informational Hearing and Site Visit to be held on Wednesday, January 25, 2012.

This report also provides a proposed schedule pursuant to the 12-month Application for Certification process.

PROOF OF SERVICE (REVISED 1/13/12) FILED WITH
ORIGINAL MAILED FROM SACRAMENTO ON 1/13/12
CJ

cc: Docket (11-AFC-3)
Proof of Service List

Attachment: (1) Issues Identification Report

QUAIL BRUSH GENERATION PROJECT
(11-AFC-3)

ISSUES IDENTIFICATION REPORT
January 13, 2012

CALIFORNIA ENERGY COMMISSION
Siting, Transmission and Environmental Protection Division

**ISSUES IDENTIFICATION REPORT
QUAIL BRUSH GENERATION PROJECT
(11-AFC-3)**

Table of Contents

PROJECT DESCRIPTION.....	1
POTENTIAL MAJOR ISSUES.....	2
BIOLOGICAL RESOURCES.....	3
LAND USE	3
WASTE MANAGEMENT.....	4
SCHEDULING	4
ENERGY COMMISSION STAFF'S PROPOSED SCHEDULE	5

ISSUES IDENTIFICATION REPORT

This report has been prepared by the California Energy Commission staff to inform the Quail Brush Generation Project (QBGP) Committee and all interested parties of the potential issues that have been identified in the case thus far. These issues have been identified as a result of staff's discussions with federal, state, and local agencies, and our review of the QBGP Application for Certification, docket number 11-AFC-3. The Issues Identification Report contains a project description, summary of potentially significant environmental issues, and a discussion of the proposed project schedule. Staff will continue to address these issues and inform the Committee about progress made towards their resolution by submitting monthly status reports to the Committee.

PROJECT DESCRIPTION

The Quail Brush Generation Project is proposed to be developed on a 21.6-acre parcel, located in the City of San Diego, California. The proposed site is located west of the City of Santee, south of the Sycamore Landfill and north of State Route 52. The proposed project is a nominally rated 100-megawatt (MW) intermediate/peaking load, electrical generating facility that would employ a set of eleven (11) natural gas-fired, reciprocating, Wartsila engine generators. The major features of the project include the following:

- Eleven (11) nominally rated 9.3 MW (gross) Wartsila model 20V34SG, natural gas-fired, reciprocating engines;
- Eleven (11) separate, state-of-the-art, air pollution control systems representing Best Available Control Technology (BACT);
- Eleven (11) approximately 48-inch diameter x 100-foot tall stacks, each with a separate continuous emissions monitoring system (CEMS);
- Acoustically engineered building enclosing all 11 reciprocating engines;
- Closed loop cooling system consisting of multiple fan-cooled radiator assemblies outside of the engine building;
- One (1) 20,000 gallon urea storage tank;
- One (1) 600,000 gallon fire water tank and associated fire water system;
- One (1) 10,000 gallon domestic water storage tank;
- Onsite 230kV facility switchyard including switchgear and the main voltage step-up transformer, circuit breakers, and disconnects;
- Approximately 1 mile of 230kV single-circuit electric transmission line between the project and the anticipated point of interconnection (POI) to the existing San Diego Gas & Electric (SDG&E) Miguel to Mission 230kV transmission line situated west of the plant site;

- New SDG&E 230kV utility switchyard at the POI configured as a line-break of the existing SDG&E 230kV transmission line that will include circuit breakers and disconnects, an access road; and
- Approximately 2,200 feet of 8-inch diameter natural gas pipeline lateral between the project site and the existing SDG&E 20-inch diameter high pressure natural gas pipeline located across Mast Avenue from the landfill entrance and associated onsite metering station.

If the proposed project is approved by the Energy Commission, the applicant plans to construct the project in approximately 18 months. Construction of the generation plant, from mobilization, through site preparation and grading, to the start of commercial operation, is proposed to take place from March 2013 until June 2014.

POTENTIAL MAJOR ISSUES

This portion of the report contains a discussion of the potential major issues that staff has identified to date. Discovery has not yet taken place and potentially interested parties have not yet had an opportunity to identify their concerns. The identification of the potential issues contained in this report is based on comments of other government agencies received to date and on staff's judgment of whether any of the following circumstances will occur:

- Potential significant impacts which may be difficult to mitigate;
- Potential areas of noncompliance with applicable laws, ordinances, regulations or standards (LORS);
- Areas of conflict between the parties; or
- Areas where resolution may be difficult or may affect the schedule.

The table on the following page lists all the subject areas evaluated and notes those areas where major issues have been identified. Although most technical areas are identified as having no potential issues, it does not mean that an issue will not arise in the future. In addition, disagreements regarding the appropriate conditions of certification may arise between staff and applicant that will require discussion at workshops and potentially during subsequent hearings.

Major Issue	Subject Area	Major Issue	Subject Area
No	Air Quality	No	Noise and Vibration
No	Alternatives	No	Paleontological Resources
Yes	Biological Resources	No	Public Health
No	Cultural Resources	No	Socioeconomics
No	Efficiency and Reliability	No	Soil Resources
No	Facility Design	No	Traffic and Transportation
No	Geological Resources	No	Transmission Line Safety
No	Hazardous Materials	No	Transmission System Engineering
No	Worker Safety and Fire Protection	No	Visual Resources
Yes	Land Use	Yes	Waste Management
No	Project Description	No	Water Resources

This report does not limit the scope of staff's analysis throughout this proceeding, but acts to aid in the identification and analysis of potentially significant issues that the QBGP project poses. The following discussion summarizes major issues, identifies the parties needed to resolve the issue, and outlines a process for achieving resolution.

BIOLOGICAL RESOURCES

BACKGROUND AND MAJOR ISSUE

The QBGP may impact the Quino checkerspot butterfly (QCB), a federally listed endangered species. Surveys for the QCB were not conducted prior to submission of the Application for Certification. According to the U.S. Fish and Wildlife Service QCB survey protocol, surveys are required for this project. Surveys can start as early as February 2012 and continue until late May or early June. The project's nitrogen oxide (NOx) emissions are a source of nitrogen deposition that may indirectly and cumulatively impact regional QCB habitat and occurrences.

To develop the staff assessment and conditions of certification, staff requires protocol level surveys to confirm the presence or absence of QCB at the project site and in the region. Potential impacts and related mitigation measures cannot be determined until the protocol surveys are complete. Staff will continue to work with the U.S. Fish and Wildlife Service, the California Department of Fish and Game, the city of San Diego and the applicant to address the issue.

LAND USE

MAJOR ISSUES

The proposed QBGP is inconsistent with several of the city of San Diego's laws, ordinances, regulations, and standards (LORS). The project currently conflicts with: the East Elliott Community Plan, which designates the site as Open Space; the General Plan, which designates the site as Park, Open Space, and Recreation; and the Municipal Code, which designates the site's zoning as single-family residential (RS-1-8). In order for the project to be in compliance with these LORS, the applicant would need

to obtain a community plan amendment, a general plan amendment, and a rezone from the city of San Diego. The proposed QBGP is also located within the city's Multi-Species Conservation Program (MSCP) Subarea Plan, with which it is incompatible. In order for the project to be in compliance with the Subarea Plan, the applicant would need to obtain from the city a boundary line adjustment of the Multi-Habitat Planning Area to exclude the project site.

Further potential issues with applicable local LORS include: the project's compliance with the city's Environmentally Sensitive Lands Regulations; and the project's consistency with the Mission Trails Regional Park Master Plan Update, which identifies a trail at the northeast corner of the project site.

Energy Commission staff will continue to investigate these issues and coordinate with the city of San Diego's staff regarding the city's review of the applicant's proposed amendments, rezone, boundary adjustment, and project compliance with other city LORS. With regard to the Mission Trails Regional Park Master Plan Update, Commission staff will coordinate with the city's Park and Recreation Department and the Mission Trails Regional Park Citizens Advisory Committee on this issue.

Waste Management

BACKGROUND AND MAJOR ISSUE

The QBGP's proposed site is located on the former Camp Elliot. Camp Elliot was a former marine, navy, army and air force training base. Camp Elliot is included in the Defense Environmental Restoration Program for Formerly Used Defense Site (FUDS). Previous live-fire artillery training at Camp Elliot has resulted in the presence of military munitions (MM), including munitions and explosives of concern (MEC), within the East Elliot Camp area. MEC consists of two distinct types of military munitions with unique explosive safety risks: unexploded ordnance (UXO) and discarded munitions (DMM). UXO are items that were fired or dropped but remain unexploded and thus present a hazard to people who use the area. The United States Army Corps of Engineers (USACOE) has conducted various surface and subsurface clearances in the Camp Elliot area since 1984. The USACOE is currently developing strategies to prepare a remedial investigation and feasibility study in the Camp Elliot area in the near future.

Staff has recently started participating in meetings with USACOE concerning the remedial investigation and feasibility study, and staff is in the process of determining if there are additional federal permits or procedures that could potentially delay staff's proposed schedule for the QBGP.

SCHEDULING

Following is staff's proposed schedule for key events of the QBGP project. Meeting the proposed schedule will depend on: the applicant's timely response to staff's data requests, the timing of the San Diego Air Pollution Control District's (SDAPCD's) filing of the Final Determination of Compliance, determinations by other local, state and federal agencies; and other factors not yet known. The SDAPCD will need to provide a Preliminary Determination of Compliance (PDOC) and a Final Determination of

Compliance (FDOC). Prior to the publication of the Preliminary Staff Assessment (PSA), staff prefers to have a PDOC from the air district; and an FDOC before staff publishes the Final Staff Assessment (FSA).

ENERGY COMMISSION STAFF’S PROPOSED SCHEDULE

QUAIL BRUSH GENERATION PROJECT (11-AFC-3)

	ACTIVITY	Calendar Day
1	Application for Certification determined to be “Data Adequate” at Commission Business Meeting	11-16-11
2	Staff files Issues Identification Report	01-13-12
3	Information hearing and site visit	01-25-12
4	Staff files 1st Round Data Requests	02-03-12
5	Applicant files Data Responses (round 1)	03-05-12
6	Data response and issue resolution workshop (round 1)	03-12-12
7	Staff files data requests (round 2, if necessary)	03-22-12
8	Applicant provides data responses (round 2, if necessary)	04-23-12
9	Applicant submits Quino Checkerspot Butterfly survey report	05-04-12
10	SDAPCD issues Preliminary Determination of Compliance (PDOC)	05-11-12
11	Data response and issue resolution workshop (round 2)	05-18-12
12	Applicant submits supplemental information resulting from workshop	06-08-12
13	Preliminary Staff Assessment filed	07-17-12
14	SDAPCD issues Final Determination of Compliance (FDOC)	07-20-12
15	Preliminary Staff Assessment workshop(s)	07-31-12
16	Comments on PSA are due	08-17-12
17	Final Staff Assessment filed	09-14-12
18	Prehearing Conference*	TBD
19	Evidentiary hearings*	TBD
20	Committee files Presiding Member’s Proposed Decision*	TBD
21	Hearing on the PMPD*	TBD
22	Committee files errata or revised PMPD (if necessary)*	TBD
23	Commission issues final Decision	TBD
*Items 18 thru 22 are scheduled by the Committee		



**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 *QUAIL BRUSH POWER PROJECT***

DOCKET NO. 11-AFC-3
PROOF OF SERVICE
(Est. 11/16/2011)

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DECLARATION OF SERVICE

I, Cenne Jackson, declare that on, January 13, 2011, I served and filed copies of the attached Issues Identification Report, dated January 13, 2011. The original document, filed with the Docket Unit or the Chief Counsel, as required by the applicable regulation, is accompanied by a copy of the most recent Proof of Service list, located on the web page for this project at: [www.energy.ca.gov/sitingcases/piopico/index.html].

The document has been sent to the other parties in this proceeding (as shown on the Proof of Service list) and to the Commission's Docket Unit or Chief Counsel, as appropriate, in the following manner:

(Check all that Apply)

For service to all other parties:

- Served electronically to all e-mail addresses on the Proof of Service list;
- Served by delivering on this date, either personally, or for mailing with the U.S. Postal Service with first-class postage thereon fully prepaid, to the name and address of the person served, for mailing that same day in the ordinary course of business; that the envelope was sealed and placed for collection and mailing on that date to those addresses **NOT** marked "e-mail service preferred."

AND

For filing with the Docket Unit at the Energy Commission:

- by sending an original paper copy and one electronic copy, mailed with the U.S. Postal Service with first class postage thereon fully prepaid and e-mailed respectively, to the address below (preferred method); **OR**
- by depositing an original and 12 paper copies in the mail with the U.S. Postal Service with first class postage thereon fully prepaid, as follows:

CALIFORNIA ENERGY COMMISSION – DOCKET UNIT
Attn: Docket No. 11-AFC-01
1516 Ninth Street, MS-4
Sacramento, CA 95814-5512
docket@energy.state.ca.us

OR, if filing a Petition for Reconsideration of Decision or Order pursuant to Title 20, § 1720:

- Served by delivering on this date one electronic copy by e-mail, and an original paper copy to the Chief Counsel at the following address, either personally, or for mailing with the U.S. Postal Service with first class postage thereon fully prepaid:

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I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, that I am employed in the county where this mailing occurred, and that I am over the age of 18 years and not a party to the proceeding.

Originally Signed by Cenne Jackson