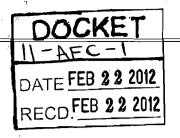
CALIFORNIA ENERGY COMMISSION

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





February 22, 2012

NOTICE OF AVAILABILITY PRELIMINARY STAFF ASSESSMENT FOR THE PROPOSED PIO PICO ENERGY CENTER (11-AFC-1)

To: MEMBERS OF THE PUBLIC

This notice is to inform you of the availability of the Preliminary Staff Assessment (PSA) for the Pio Pico Energy Center's (PPEC) Application for Certification (11-AFC-1). The PSA was published on February 22, 2012. The PSA contains the California Energy Commission staff's preliminary engineering, environmental and public health and safety evaluation of the proposed PPEC.

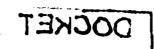
The California Energy Commission encourages public participation in the review of the PPEC's Application for Certification (AFC). The public comment period for this PSA is from February 22, 2012 to March 26, 2012. Written comments on the PSA should be provided to Eric Solorio, Siting Project Manager, no later than 5:00 p.m., March 26, 2012 at the address on this letterhead or by email to esolorio@energy.ca.gov. Technical or project schedule questions should also be directed to Mr. Eric Solorio at (916) 651-0966 or by email.

Following a 30-day public comment period on the PSA and staff holding one or more public workshops, the staff will prepare a Final Staff Assessment (FSA) which will serve as staff's formal testimony in evidentiary hearings to be held by the Energy Commission's Committee assigned to hear this case. The Committee will hold evidentiary hearings to consider the recommendations presented by staff, applicant, interveners, government agencies, and the public prior to proposing its decision. In the last step, the full Energy Commission will issue the final decision.

SUMMARY OF THE PROPOSED PIO PICO ENERGY CENTER

On February 10, 2011, Pio Pico Energy Center LLC submitted an Application for Certification (AFC) to the California Energy Commission seeking permission to construct and operate a nominal 300-megawatt (MW) natural gas-fired simple-cycle generating facility, the PPEC. The current AFC replaces the previously proposed project that was withdrawn on December 10, 2010. The new project site is proposed to be located in an unincorporated area of southwestern San Diego County, known as Otay Mesa.

The PPEC project would be located on approximately 10 acres of disturbed land on the southeast quadrant of the Alta Road and Calzada de la Fuente intersection. The



construction lay down (equipment and materials) area is proposed to be 6-acres of an adjacent parcel to the south.

The generating facility would include three General Electric (GE) LMS100 natural gas-fired combustion turbine generators (CTGs), each equipped with water injection to the combustors for reducing production of oxides of nitrogen (NOx), a selective catalytic reduction (SCR) system with 19 percent aqueous ammonia injection to further reduce NOx emissions, and an oxidation catalyst to reduce carbon monoxide (CO). Thermal energy is produced in the CTGs through the combustion of natural gas, which is converted into mechanical energy to drive the combustion turbine compressors and electric generators. The total net generating capacity would be approximately 300 MW.

ENERGY COMMISSION'S SITE CERTIFICATION PROCESS

The Energy Commission is responsible for reviewing and ultimately approving or denying all applications to construct and operate thermal electric power plants, 50 MW and greater, 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 has a certified regulatory program and is the lead agency under the California Environmental Quality Act (CEQA).

SUMMARY OF CALIFORNIA ENERGY COMMISSION STAFF'S PRELIMINARY CONCLUSIONS

Staff concludes that with implementation of staff's recommended mitigation measures described in the conditions of certification, the PPEC would comply with all applicable laws, ordinances, regulations, and standards (LORS). Staff also concludes that for all environmental areas except biological resources, significant adverse direct, indirect, and cumulative impacts will not occur.

At this time staff does not have enough information to determine the feasibility of the applicant's proposed mitigation measures to reduce impacts to biological resources to a less than significant level. Staff anticipates obtaining this information and discussing the details of such during the public workshop previously noticed for March 1, 2012, to be held in Chula Vista: http://www.energy.ca.gov/sitingcases/piopico/notices/index.html.

AVAILABILITY OF THE PRELIMINARY STAFF ASSESSMENT

On Wednesday, February 22, 2012, you may download a copy of the PSA from the project web site: http://www.energy.ca.gov/sitingcases/piopico/index.html. Copies of the PSA are also available at the Energy Commission's Library in Sacramento, the California State Library in Sacramento, and at public libraries in Eureka, San Francisco, Los Angeles, and San Diego. Additionally, copies of the PSA were mailed to the following public libraries:

Civic Center Branch	South Chula Vista Branch	1120 EastLake Parkway	Central Library
365 F Street	389 Orange Avenue		820 E Street
Chula Vista, CA 91910	Chula Vista, CA 91911		San Diego, CA 92101
Otay Mesa-Nestor Branch 3003 Coronado Avenue San Diego, CA 92154	Bonita-Sunnyside Branch 4375 Bonita Road Bonita, CA 91902	Imperial Beach Branch 810 Imperial Beach Boulevard Imperial Beach, CA 91932	Lincoln Acres Branch 2725 Granger Avenue National City, CA 91950

Also, a copy of the PSA has been sent to those public agencies that would normally have jurisdiction except for the Energy Commission's exclusive authority to certify sites and related facilities.

PUBLIC RESOURCES, CONTACT INFORMATION AND ADDITIONAL SOURCES FOR INFORMATION

If you desire information on how to participate in the Energy Commission's review of the proposed project, please contact the Energy Commission's Public Adviser, at (916) 653-5898 or toll free in California at (800) 822-6228, or by email at: publicadviser@energy.state.ca.us.

To request special accommodations for those persons with disabilities, please contact Lourdes Quiroz at lourdes Quiroz@energy.state.ca.us or by telephone (916) 654-5146.

For additional information contact Eric Solorio, CEC Project Manager at (916) 651-0966 or email at esolorio@energy.state.ca.us.

News media inquiries should be directed to Acting Assistant Director, Adam Gottlieb, at (916) 654-4989, or by email at: mediaoffice@energy.state.ca.us.

Sincerely,

Date: <u>2/22/12</u>

Kobet Worl for CD Chris Davis, Office Manager

Siting Office

Mailed to lists: Property Owners, Agency and Library



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 PIO PICO ENERGY CENTER PROJECT

APPLICANT

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INTERESTED AGENCIES

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Docket No. 11-AFC-1 PROOF OF SERVICE

(Revised 2/21/2012)

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DECLARATION OF SERVICE

accom	Cenne Jackson _, declare that on achedNotice of Availability panied by the most recent Proof of Service /www.energy.ca.gov/sitingcases/riomes	, dated <u>Februar</u> e list, located on the web page t	ry 22 2012. This document is			
	ocument has been sent to the other parties ission's Docket Unit or Chief Counsel, as					
(Chec	k all that Apply)					
For ser	rvice to all other parties:					
<u>x</u>	Served electronically to all e-mail address	electronically to all e-mail addresses on the Proof of Service list;				
<u>X</u>	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 preferred."					
AND						
For filir	ng with the Docket Unit at the Energy C	ommission:	•			
X	by sending electronic copies to the e-mail address below (preferred method); OR					
	by depositing an original and 12 paper postage thereon fully prepaid, as follows	•	U.S. Postal Service with first class			
	CALIFORNIA ENERG Attn: Docket No. 11-A 1516 Ninth Street, MS Sacramento, CA 9581 docket@energy.state.	-4 4-5512	INIT			
OR, if f	filing a Petition for Reconsideration of L	ecision or Order pursuant to	Title 20, § 1720:			
	Served by delivering on this date one counsel at the following address, either postage thereon fully prepaid:					
·	California Energy Com Michael J. Levy, Chief 1516 Ninth Street MS- Sacramento, CA 9581 mlevy@energy.state.c	Counsel 14 4				
	re under penalty of perjury under the laws opposed in the county where this mailing occiding.					