

CALIFORNIA ENERGY COMMISSION

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www.energy.ca.gov

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DATE: February 23, 2012**TO:** Interested Parties**FROM:** Craig Hoffman, Compliance Project Manager**SUBJECT: NOTICE OF PROPOSED EXTENSION OF OPERATIONAL LICENSE FOR 2001 EMERGENCY PEAKER PROJECTS:**

**WILDFLOWER ENERGY – LARKSPUR (01-EP-1C),
WILDFLOWER ENERGY – INDIGO (01-EP-2C),
ALLIANCE COLTON – CENTURY (01-EP-4C),
ALLIANCE COLTON – DREWS (01-EP-5C),
CALPINE – KING CITY (01-EP-6C),
CALPINE – GILROY (01-EP-8C),
CALPEAK POWER – ENTERPRISE (01-EP-10C), AND
CALPEAK POWER – BORDER (01-EP-14C).**

On January 17, 2001, Governor Gray Davis proclaimed a State of Emergency due to constraints on electricity supplies in California. The Governor declared that all reasonable conservation, allocation, and service restriction measures would not alleviate an energy supply emergency. As a result, the Governor issued Executive Orders D-22-01, D-24-01, D-25-01, D-26-01, and D-28-01 to expedite the permitting of peaking and renewable power plants that can be on line by September 30, 2001.

The Governor also declared that these projects are emergency projects under Public Resources Code section 21080(b)(4), and are thereby exempt from the requirements of the California Environmental Quality Act (CEQA).

Between March and June of 2011, fifteen applications under the emergency peaker provisions were submitted. Of the applications, four were withdrawn and 2 were permitted, but never built. Nine power plants were constructed and one, the Hanford Energy Park, ultimately converted to a combined cycle facility. The remaining eight emergency peaker power plant projects under this staff analysis include:

Project Name	Location	Facility Size and Type
Larkspur Energy Facility (01-EP-1C)	San Diego County	90 MW Gas-Fired Simple Cycle
Indigo Energy Facility (01-EP-2C)	Riverside County	135 MW Gas-Fired Simple Cycle
Alliance Century (01-EP-4C)	San Bernardino County	40 MW Gas-Fired Simple Cycle

Alliance Drews (01-EP-5C)	San Bernardino County	40 MW Gas-Fired Simple Cycle
Calpine King City (01-EP-6C)	Monterey County	50 MW Gas-Fired Simple Cycle
Calpine Gilroy (01-EP-8C)	Santa Clara County	135 MW Gas-Fired Simple Cycle
CalPeak Enterprise #7 (01-EP-10C)	San Diego County	49 MW Gas-Fired Simple Cycle
CalPeak Border (01-EP-14C)	San Diego County	49 MW Gas-Fired Simple Cycle

The eight projects were built consistent with the Commission Decision licenses and came on-line in the third or fourth quarter of 2001. These power plants have been in operation for the past ten years and are seeking to extend their certification and license.

The Energy Commission decisions for the emergency peaker projects included a provision that would allow for the certification of the projects to be extended provided that the conditions of certification were current, the project was in compliance with all conditions of certification, the project was permanent, and air emission credits were in place.

Staff has reviewed the eight projects to verify that the power plants are being operated in compliance with the conditions of certification. Staff confirms that the six extension criteria have been satisfied and the conditions of certification current. Staff conducted site visits to each facility to visually verify that the projects were constructed consistent with the conditions and are operating consistent with the approved certifications.

Each of the projects is asking the Energy Commission to extend the certification of these eight projects until they cease operation and commence permanent closure activities.

Staff's analysis has been posted on the Energy Commission's webpage at :

www.energy.ca.gov/sitingcases/peakers/larkspur/compliance/,

www.energy.ca.gov/sitingcases/peakers/indigo/compliance/,

www.energy.ca.gov/sitingcases/peakers/century/compliance/,

www.energy.ca.gov/sitingcases/peakers/drews/compliance/,

www.energy.ca.gov/sitingcases/peakers/kingcity/compliance/,

www.energy.ca.gov/sitingcases/peakers/gilroy/compliance/,

www.energy.ca.gov/sitingcases/peakers/calpeak/compliance/,

www.energy.ca.gov/sitingcases/peakers/border/compliance/.

The Energy Commission's Order (if approved) will also be posted on the web pages. Energy Commission staff intends to recommend approval of the project license extensions at the April 11, 2011, Business Meeting of the Energy Commission. If you have comments on this proposal, please submit them to me at the address below prior to March 26, 2012.

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Comments may be submitted by fax to (916) 654-3882, or by e-mail to choffman@energy.state.ca.us. If you have any questions, please contact me at (916) 654-4781.

For further information on how to participate in this proceeding, please contact the Energy Commission Public Adviser's Office, at (916) 654-4489, or toll free in California at (800) 822-6228, or by e-mail at publicadviser@energy.state.ca.us. News media inquiries should be directed to the Energy Commission Media Office at (916) 654-4989, or by e-mail at mediaoffice@energy.state.ca.us.