CALIFORNIA ENERGY COMMISSION
1516 NINTH STREET
SACRAMENTO, CA 95814-5512

DOCKET
00-AFC-1C
DATE JUL 19 2006
RECD JUL 27 2006

STATE OF CALIFORNIA
ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION

In the Matter of:	)	**Docket No. 00-AFC-1C**
CONTRA COSTA POWER PLANT	)	**Order No.**
UNIT 8 PROJECT	)	
MIRANT DELTA, LLC	)	**ORDER APPROVING Addition of Pacific**
	)	**Gas and Electric Company as Co-Owner and**
	)	**Operator with Mirant Delta, LLC on the**
	)	**Contra Costa Power Plant Unit 8 Project;**
	)	**Extension of Construction Milestones; and**
		Four Modifications to the Facility.

Mirant Delta, LLC (Mirant), the owner/operator of the Contra Costa Power Plant Unit 8 Project, located north of the City of Antioch, in Contra Costa County, has submitted a petition to amend their Energy Commission Decision in order change the ownership of Contra Costa Power Plant Unit 8 by adding Pacific Gas and Electric Company (PG&E) as an owner; extend the construction milestones to reflect construction resuming within 3 months after closing of the Asset Transfer Agreement (ATA) and the beginning of commercial operation within 24 months of the closing of the ATA; the installation of a water treatment facility to serve Unit 8's process water needs, enhancement of the Unit 8 cooling tower blowdown treatment system by adding sand filters to remove suspended solids and a dechlorination system to remove residual chlorine, installation of an oil/water separator for Unit 8, and enlargement of the Unit 8 administration building so that it has a footprint of 100 feet by 140 feet. The ATA between Mirant Delta, LLC and PG&E will close no later than June 30, 2008.

STAFF RECOMMENDATION

Staff has reviewed the petition and finds that it complies with the requirements of Title 20 of the California Code of Regulations, Section 1769, and recommends approval of the proposed modifications and change of ownership with the understanding that:

1) PG&E and Mirant will obtain Energy Commission approval of an amendment reflecting a new mitigation program which mitigates the cooling system impacts to a less than significant level and is acceptable to the federal and state resource agencies, and obtain all required permits prior to the start of operation. (The previously drafted Biological Opinions from the USFWS and the National Marine Fisheries Service would not satisfy this requirement.)

2) If such a mitigation program is not developed and/or the federal permits are not obtained, PG&E and Mirant will obtain approval of an amendment switching to an alternative cooling method (such as reclaimed water) prior to beginning operation.

3) Until the resource agency permits are obtained, Unit 8 will be designed and constructed in such a manner that will not preclude the switch to an alternative cooling technology.

As mandated by Title 20, section 1769(a)(3) of the California Code of Regulations, the Energy Commission may only approve project modifications if specific findings are met. Following staff's review of the proposed amendment, Energy Commission staff recommends approval based on the following findings:

A. There will be no new or additional unmitigated significant environmental impacts associated with the proposed changes.

B. Adherence to the proposed conditions and stipulations will ensure the facility's compliance with all applicable LORS.

C. The facility design changes will be beneficial to the additional project owner, PG&E, by allowing for more autonomous operation of Unit 8.

D. There has been a substantial change in circumstances since the Commission certification justifying the changes in that the sale of Unit 8 to a different owner than the owner of Units 6 and 7 and the sharing of certain common facilities was not contemplated during the certification process.

E. The petition satisfies the requirements for a Change of Ownership, including the requirement that the new owner provide a statement that it understands and agrees to comply with the Conditions of Certification.

CONCLUSION AND ORDER

The California Energy Commission hereby adopts the staff's recommendation and approves the above mentioned enhancements to the facility effective on the date of this order and the addition of PG&E as a co-owner of the Contra Costa Power Plant Unit 8 Project with Mirant Delta, LLC effective on the date of closing the ATA.

IT IS SO ORDERED.

Date: July 19, 2006

STATE OF CALIFORNIA
ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION

RECUSED
JACKALYNE PFANNENSTIEL, Chairman

JAMES D. BOYD, Vice Chairman

ABSENT
JOHN L. GEESMAN, Commissioner

ARTHUR ROSENFELD, Commissioner

JEFFREY BYRON, Commissioner