

BEFORE THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT COMMISSION
OF THE STATE OF CALIFORNIA

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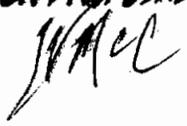
IN THE MATTER OF:

MODIFY OF THE APPLICATION
FOR CERTIFICATION FOR THE
RUSSELL CITY ENERGY CENTER

PLANNING DIVISION

DOCKET No. 01-AFC-7C

- LETTER # 2 OF 2, TO BE SENT TO SAME PLACES
AS ATTACHED COPY ABOUT OTHER PROPOSAL



NOTICE OF PUBLIC INFORMATIONAL HEARING AND SITE VISIT

On November 17, 2006, Russell City Energy Company, LLC ("Applicant"), filed a petition to modify the California Energy Commission's decision approving the Russell City Energy Center Project. The proposed modifications would move the project facilities approximately 1300 feet to a site southwest of the intersection of Depot Road and Cabot Boulevard. The Energy Commission has exclusive jurisdiction to license this project and is considering the proposal under its amendment process established by Title 20, California Code of Regulations, section 1769.

PLEASE TAKE NOTICE that the Energy Commission's Siting Committee of two commissioners will conduct proceedings on the amendment petition. The Committee has scheduled a public Informational Hearing and site visit to discuss the proposed amendment as described below:

FRIDAY, DECEMBER 15, 2006
Site Visit begins (bus leaves) at 3:30 p.m.
Public Informational Hearing begins at 4:45 p.m.

Centennial Hall – Room 6
22292 Foothill Boulevard
Hayward, CA 94541
Wheelchair Accessible
(Map Attached)

DOCKET 01-AFC-7C
DATE DEC 4 2006
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Prior to the informational hearing, members of the public are invited to join the Committee on a tour of the proposed site. The Applicant will provide transportation to the site and return. For reservations, please contact the Energy Commission's Public Adviser at (916) 654-4489 or, 1-800-822-6228 or, e-mail at: [pao@energy.state.ca.us]. Please make your reservation on or before December 12 so that we can assure you a space.

Background

On November 17, 2006, the Energy Commission began its review of the proposed modifications to the Russell City Energy Center, which was originally approved on September 11, 2002. The Commission's amendment regulation does not specify any particular period for processing an amendment; the Committee will set a schedule after hearing from the parties and the public at the Informational Hearing. During the review period, the Energy Commission will determine whether the proposed modified project would comply with applicable laws related to public health and safety, environmental impacts, and engineering requirements. The Energy Commission is sponsoring the Informational Hearing to inform the public about the project and to invite public participation in the review process.

Project Description

The previously approved Russell City Energy Center is a 600-megawatt (MW) peaking power plant, proposed to be constructed at the southwest corner of Enterprise and Whitesell Streets in the City of Hayward in Alameda County. It would consist of two Siemens Westinghouse "F-class" combustion turbines, two heat recovery steam generators, a single condensing steam turbine generator and associated equipment such as emission control and cooling systems. The project has not been constructed. The applicant proposes to modify the project as follows:

- Move the project facilities to a location southwest of the intersection of Depot Road and Cabot Boulevard, approximately 1,300 feet northwest of the approved location; the new site is partially in the City of Hayward and partially in the unincorporated area of Alameda County;
- Add a zero liquid discharge facility, thereby reducing wastewater discharge and slightly reducing recycled water use;
- Replace the advanced water treatment facility with a Title 22 recycled water facility;
- Remove the standby generator;
- 1. • Relocate 500 to 1,000 feet of the transmission line route from the project to Pacific Gas and Electric Company's (PG&E) existing Grant-Eastshore transmission corridor;
- 1. • Change the natural gas pipeline route to run entirely in Depot Road; and
- Add new construction laydown and additional worker parking areas in close proximity to the project site.

The engineering and environmental details of the proposed modifications to the project are contained in the Amendment Application No. 1 (Application). Copies of the Application are available on the Energy Commission's web site (link provided below), at the local public agencies that are involved in the review process and at the following libraries: City of Hayward Public Library; California State University Library, Hayward; the Energy Commission's Library in Sacramento; the California State Library in Sacramento; and at public libraries in Los Angeles, San Francisco, San Diego, Fresno and Eureka.

Purpose of the Informational Hearing

The power plant licensing process, which incorporates requirements equivalent to the California Environmental Quality Act, considers all relevant engineering and environmental aspects of the proposed project. The amendment process provides a public forum allowing the Applicant, Commission staff, governmental agencies, adjacent landowners, and members of the general public to consider the advantages and disadvantages of the modifications, and to propose changes, mitigation measures, and alternatives as necessary.

The Informational Hearing scheduled in this Notice provides an opportunity for members of the community in the Hayward area to obtain information, to offer comments, and to view the project site. The Applicant will explain plans for developing the project and the related facilities. Energy Commission staff will explain the amendment process and Staff's role in reviewing the Application.

Proposed Schedule and Issue Identification Report

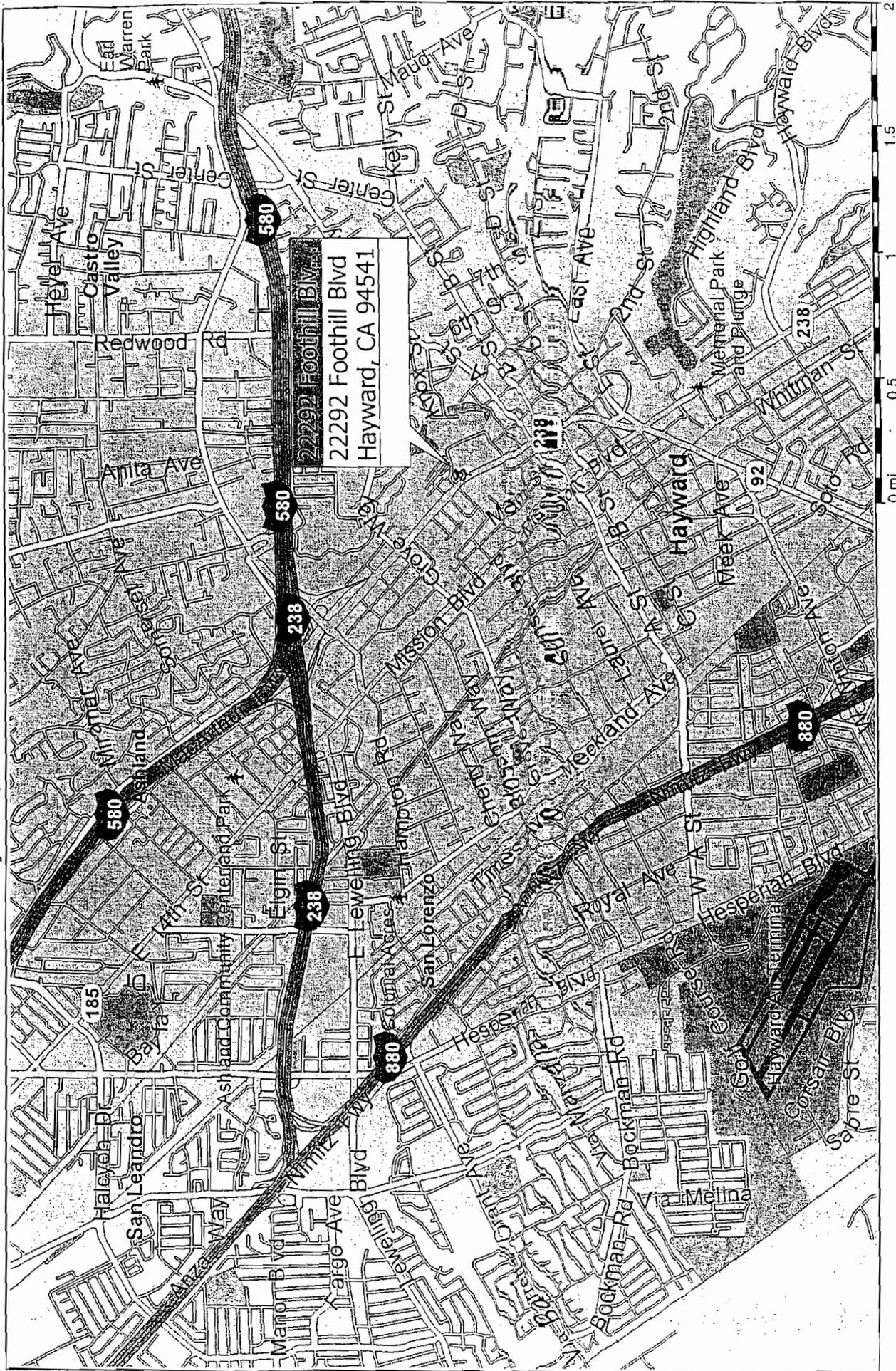
To assist participants in understanding the process, Energy Commission staff shall file a proposed schedule for project review. Staff shall also file an Issue Identification Report summarizing the major issues and identifying any additional information necessary to resolve issues of concern. The proposed schedule and Staff's report shall be filed by 5 p.m., December 11, 2006. The Applicant shall file and serve its response, if any, by 5 p.m. on December 13, 2006.

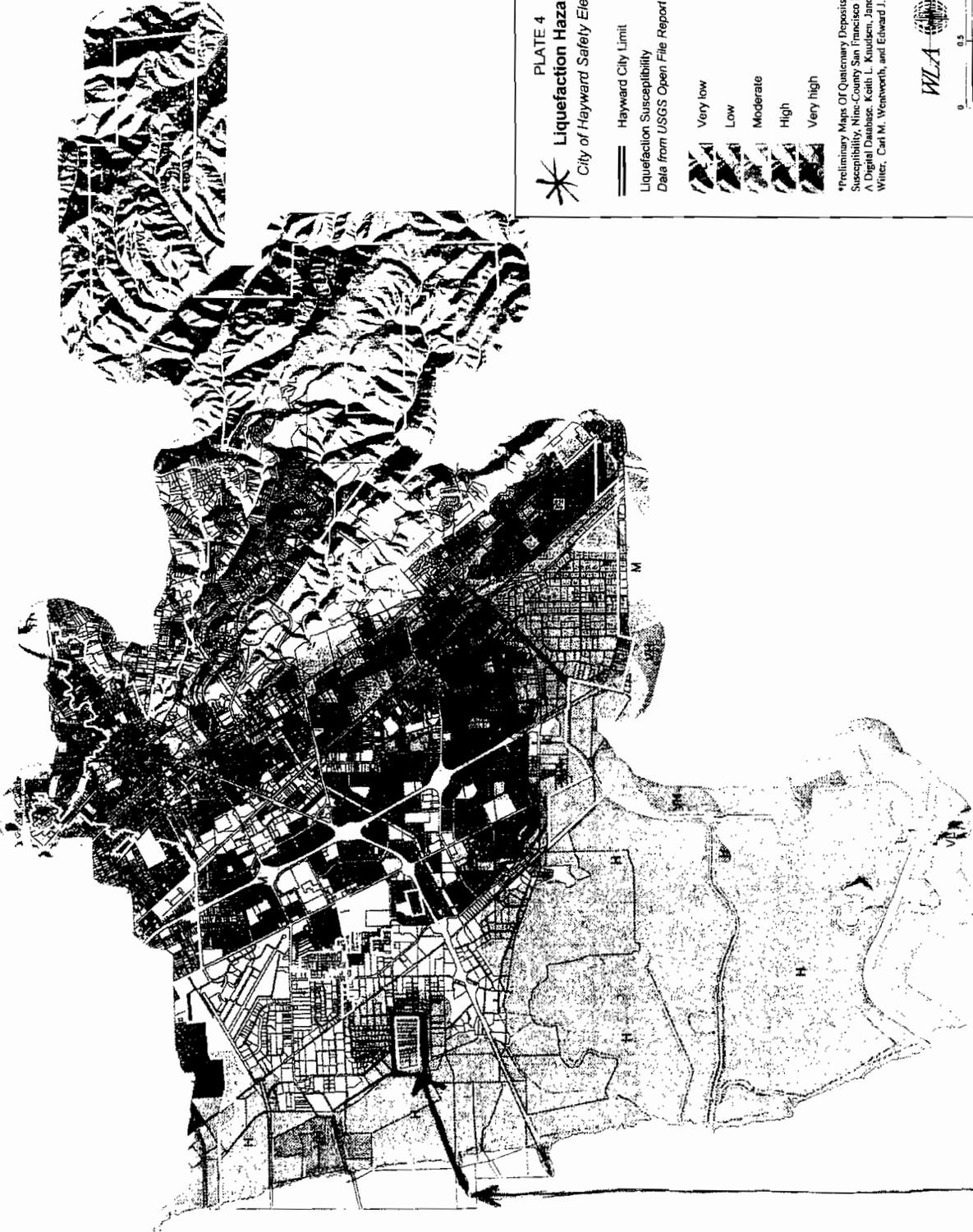
Public Adviser and Public Participation

The Energy Commission's Public Adviser is available to assist the public in participating in the application review process. For those individuals who require general information on how to participate, please contact the Public Adviser, Margret J. Kim, at (916) 654-4489 or 1-800-822-6228 or e-mail: [pao@energy.state.ca.us].

If you have a disability and need assistance to participate in this event, contact Lourdes Quiroz at 916-654-5146 or e-mail at: [lquiroz@energy.state.ca.us].

Hayward, California, United States



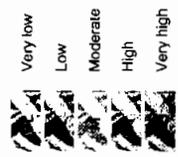


SAN
FRANCISCO
BAY

PLATE 4

Liquefaction Hazard Map
City of Hayward Safety Element Update

Hayward City Limit
Liquefaction Susceptibility
Data from USGS Open File Report 00-444*



*Preliminary Maps Of Quaternary Deposits and Liquefaction Susceptibility, Nine-County San Francisco Bay Region, California: A Digital Database. Keith L. Klaukien, Janet M. Sowers, Robert C. Witter, Carl M. Wentworth, and Edward J. Helley, 2000.



0:\data\148\Work\out.apr June 29, 2001

SEE LOCATION FOR "RUSSELL CITY" ENERGY PROPOSAL. JMA

C/O 132 B STREET #2
HAYWARD CA 94541

Dear, to whom it may concern,

Having recently read the proceeding by which the California Energy Commission introduced Hayward to a second power plant proposal, one may wonder if this is to be a new trend in the way this Commission conducts its business. The back door approval style has become more of a trend in recent years, it seems. On January 19 of 2001, the California Attorney General found it necessary to remind the Federal Energy Regulatory Commission of federal law, 16 U.S.C. § 824b (a), regarding their own approval process. Is this familiar ?

Not only does it seem that the California Energy Commission has found opportunity, they then put the City of Hayward under considerable pressure, regarding the expeditious back door approval of a second gas fired power plant. Although the city has been notified, as an afterthought (?), perhaps it is only in the event of the Commission avoiding too many unpleasant questions about the application process, when the gas fired plant is expected to be licensed. Speaking of application process, and a license to build, one may wonder why there would not be some parallel principle here between initial public hearings, as with applications in process for the California Energy Commission approval and the Federal Energy Regulatory Commission approval being considered by the state Attorney General on January 19 of 2001.

There is, of course, a legitimate rationale for an adequate public hearing process. By way of example, how many gas fired power facilities should we have located upwind of, in close proximity to, medium density housing, an elementary school, and a sizeable community college campus, not to mention other caveats ? The there are the substantial what if (?) questions. What if questions could be, such as, what if (?) a major gas leak occurred during a full power generation period ? Who would like to experience a large scale flash fire, in the downwind area, from the off site impact of a major on site (power facility) leak event ? Oh, this is yet another Texas company ? Then does that make everything suddenly Kosher ?

When was such a power facility, suddenly, so urgent ? Is that such an undeniable priority ? Perhaps the great priority is for another Texas based company to enhance its access to California rooted dollars, at California rooted expense. What of the Demand Response Spinning Reserve Demonstration to meet power demand ?

J.V. McCarthy
J.V. McCarthy
(USAR retired)

CALIFORNIA STATE SENATE,
ENERGY, UTILITIES, & COMMUNICATIONS

ATTORNEY GENERAL,
DIVISION OF LAW ENFORCEMENT,
STATE OF CALIFORNIA