

CALIFORNIA ENERGY COMMISSION1516 NINTH STREET
SACRAMENTO, CA 95814-5512**DOCKET**
01-AFC-7CNovember 29, 2006
DATE NOV 29 2006
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TO: AGENCY DISTRIBUTION LIST

REQUEST FOR AGENCY PARTICIPATION IN THE REVIEW OF THE RUSSELL CITY ENERGY COMPANY, LLC, AMENDMENT PETITION (01-AFC-7C)

On November 17, 2006, the Russell City Energy Company, LLC filed a petition with the California Energy Commission requesting to modify the Russell City Energy Center (RCEC) Project. The 600 megawatt project was certified by the Energy Commission on September 11, 2002, and is expected to begin construction the second quarter in 2008. The facility will be located in the City of Hayward, in Alameda County.

DESCRIPTION OF PROPOSED MODIFICATIONS

The petition contains several proposed modifications. The first one is the relocation of the project facilities approximately 1300 feet northwest of the original location; the remaining modifications are germane to the physical make-up of the new location. Following the completion of the certification process in September 2002, the project owner was granted permission by the Energy Commission to construct the RCEC at the southwest corner of the intersection of Enterprise Avenue and Whitesell Street, directly south of the City of Hayward's Water Pollution Control Facility (WPCF). The project owner is now proposing to locate the facility directly west of the City of Hayward's WPCF between Depot Road and Enterprise Avenue.

To accommodate the relocation of the facilities, the natural gas pipeline route and a small portion (approximately 500' to 1,000') of the transmission line route will also be re-located. Additions to the new location will be a Zero Liquid Discharge Facility, a Title 22 Recycled Water Facility, and new construction laydown and worker parking areas in close proximity to the location. The Power Augmentation Steam, Standby Generator, and architectural screen proposed for the original location will not be constructed at the new one.

ENERGY COMMISSION REVIEW PROCEDURES

The purpose of the Energy Commission's amendment petition review process is to assess the impacts of this proposal on environmental quality, public health and safety and the existing transmission system. The review process includes an evaluation of the consistency of the proposed changes with the Energy Commission's Decision and if the project, as changed, will remain in compliance with applicable laws, ordinances, regulations, and standards (Title 20, Calif. Code of Regulations, section 1769). The Energy Commission is the lead agency under the California Environmental Quality Act (CEQA), and will prepare and publish a Staff Analysis that will examine the proposed project. An information hearing and site visit will be held on December 15, 2006, and that notice is enclosed.

November 29, 2006

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AGENCY PARTICIPATION

We request that you provide any written comments you may have regarding the disclosure of potential issues of concern by December 22, 2006. Please provide your comments to Ms. Jeri Zene Scott, the Energy Commission's Compliance Project Manager at (916) 654-4228 or e-mail jscott@energy.state.ca.us.

Your participation in the proceeding is encouraged and will consist of identifying and working to resolve issues of concern to your agency. It is the Energy Commission's intention to issue a decision in 2007. If you have questions or would like additional information on how to participate in the Energy Commission's review of the project, please contact Ms. Jeri Zene Scott, the Energy Commission's Compliance Project Manager.

The status of the project, copies of notices and other relevant documents will be placed on the Energy Commission's web site at:

<http://www.energy.ca.gov/sitingcases/russellcity/index.html>.

Enclosed is a CD of the Russell City Energy Center project amendment. If you desire a paper copy of the petition, please contact Jeri Zene Scott.

Sincerely,



ROGER E. JOHNSON, Manager
Siting and Compliance Office
Energy Facilities Siting Division

Enclosure

Mailed to Russell City Energy Center Petition Agency Mail list

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

IN THE MATTER OF:

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

DOCKET No. 01-AFC-7C

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)

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: [\[pao@energy.state.ca.us\]](mailto: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;
- 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;
- 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].

Information

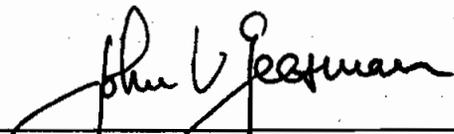
Technical questions concerning the project should be addressed to Jeri Zene Scott, Staff Compliance Project Manager, at (916)654-4228 or e-mail at: **[jscott@energy.state.ca.us]**.

Questions of a legal or procedural nature should be directed to Paul Kramer, the Hearing Officer, at (916) 654-5103 or e-mail at: **[pkramer@energy.state.ca.us]**.

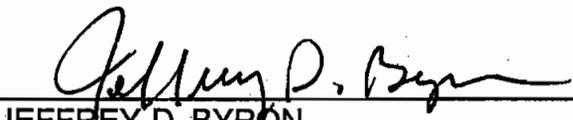
Media inquiries should be directed to Claudia Chandler, Assistant Executive Director for Media and Public Communications at (916) 654-4989 or e-mail at: **[mediaoffice@energy.state.ca.us]**.

Information concerning the status of the project, as well as notices and other relevant documents, may be viewed on the Energy Commission's Internet web page at: **[www.energy.ca.gov/sitingcases/russelcity]**.

Dated November 29, 2006, at Sacramento, California.



JOHN L. GEESMAN
Commissioner and Presiding Member
Energy Commission Siting Committee

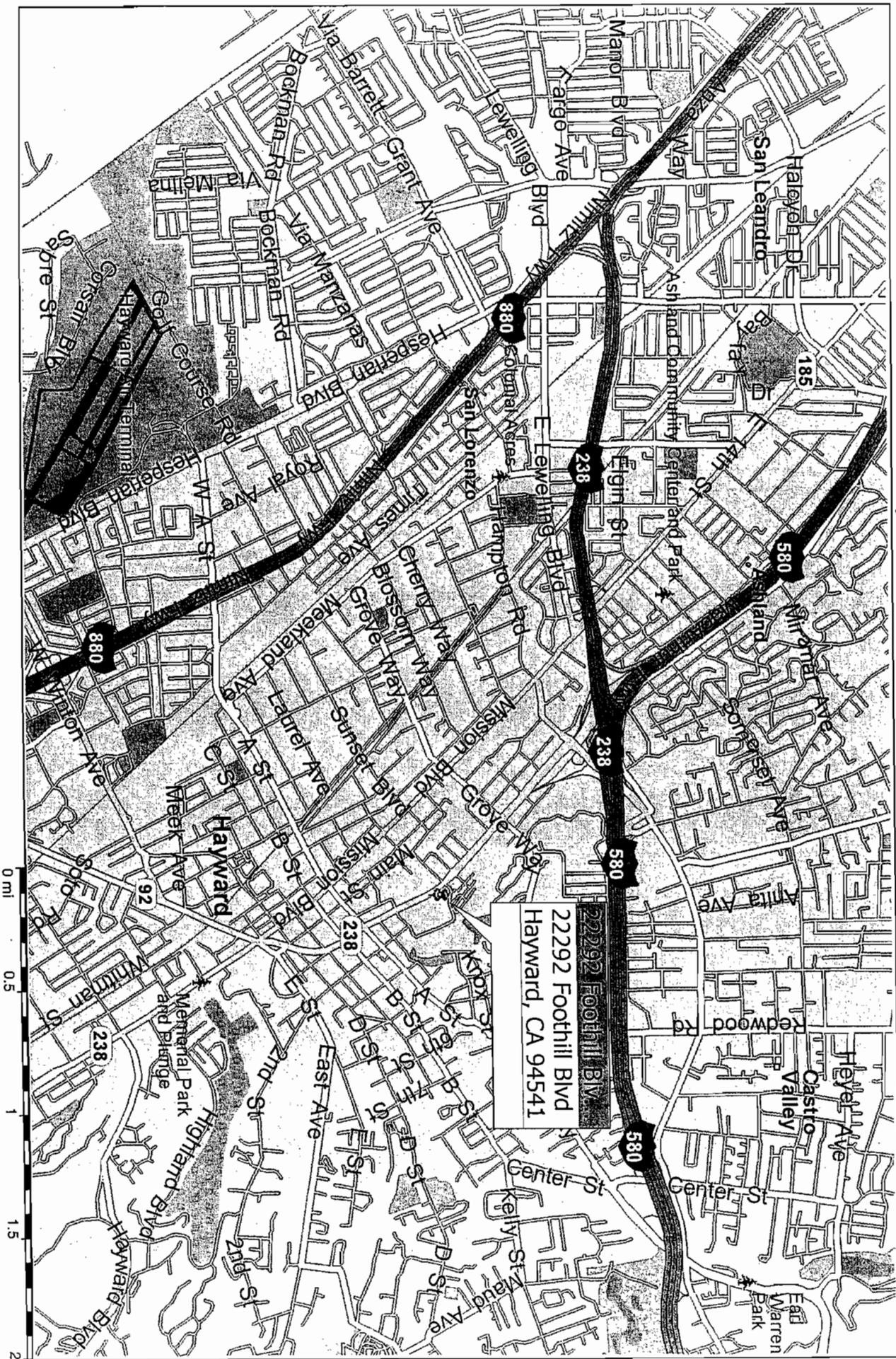


JEFFREY D. BYRON
Commissioner and Associate Member
Energy Commission Siting Committee

Mailed to Lists: POS, 7078, 7079

Proof of Service List (Revised on N/A)
filed with Original Document. Mailed from
Sacramento on 11/29/2006).

Hayward, California, United States



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