

Memorandum

Date : June 1, 2007
 Telephone: (916) 653-1227

To : John L. Geesman, Presiding Member
 Jeffrey D. Bryon, Associate Member

From : California Energy Commission - Lance Shaw, Compliance Project Manager
 1516 Ninth Street
 Sacramento, CA 95814-5512

Subject : **RUSSELL CITY ENERGY CENTER (01-AFC-7C) COMMITTEE STATUS CONFERENCE
 COMMENTS**

DOCKET	
01-AFC-7C	
DATE	JUN 0 1 2007
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Lance Shaw 1 June 07

Staff proposed a schedule at the Committee Informational Hearing on December 15, 2006, that was based on a six-month amendment schedule. At the time it was proposed, staff was not aware of several significant issues which required significant staff time and inputs from outside agencies to complete our analysis.

On March 16, 2007, staff and the project owner proposed a revised schedule based upon the status of issues known at that time. However, resolution of the following issues did not proceed as expected.

- The project owner was delayed in providing the results of cultural resource surveys due to lack of access to proposed site parcels.
- Soil contamination on the new site required resolution of questions regarding soil and potential water contamination and remediation prior to start of construction, and establishment of responsible agencies to oversee the clean up process.
- Staff identified the need to more completely address the aviation hazards to aircraft from project thermal plumes.
- Staff discovered that the Petition to Amend the Decision did not identify project related downstream reconductoring that needed to be evaluated for environmental impacts.
- Air quality issues needed to be evaluated related to the change from project operation as a base-load to a load-following facility.
- Staff discovered that the Mt. Eden Annexation Final EIR contains mitigation measures for development of parcels being annexed into the city of Hayward that required additional staff review and further analysis.

In staff's Status Report #1, filed February 27, 2007, staff proposed bifurcating the Staff Assessment (SA) to expedite the schedule; staff proposed issuing the SA Part 1 on March 30, 2007, and Part 2 July 2, 2007.

John L. Geesman, Presiding Member

Jeffrey D. Byron, Associate Member

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In staff's Status Report #2, filed May 11, 2007, staff proposed June 8, 2007, as the filing date for the SA Part 2, which will be a complete staff document with both Part 2 and Part 1 revised sections. The June 8, 2007 date was predicated on the receipt of the city of Hayward's advisory conditional use permit conditions which were received on May 25, 2007.

Staff has scheduled a workshop for June 4, 2007 to discuss air quality and thermal plume issues that, as of this date, staff and the project owner have not reached agreement.

Staff acknowledges the project owner's eagerness to proceed in all due haste. Staff has no desire to delay release of its SA. Staff believes that a public workshop to take comments on the complete SA from the public and agencies and the release of an errata by staff are necessary to meet the requirements of our CEQA-equivalent process.

Staff has contacted the Federal Aviation Administration, Caltrans Aeronautics, city of Hayward, and Alameda County Airport Land Use Commission and advised them that the SA will be available on June 8, 2007. Staff believes that it needs the comments from these agencies on the thermal plume aviation hazard before it can finalize its position of the issue. Staff recommends that these agencies be allowed 30 days to provide their comments. Therefore staff also recommends that it file its errata or supplement to the SA by July 18, 2007.

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

Amendment to the APPLICATION
FOR CERTIFICATION OF THE
RUSSELL ENERGY CENTER
POWER PLANT PROJECT

Docket No. 01-AFC-7C
PROOF OF SERVICE
(Revised 4/9/07)

INSTRUCTIONS: All parties shall 1) send an original signed document plus 12 copies OR 2) mail one original signed copy AND e-mail the document to the web address below, AND 3) all parties shall also send a printed OR electronic copy of the documents that shall include a proof of service declaration to each of the individuals on the proof of service:

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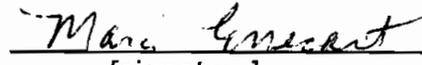
DECLARATION OF SERVICE

I, Marci Errecart, declare that on June 1, 2007, I deposited copies of the attached 6/1/07 Memo to John Geesman (Presiding Member) and Jeff Byron (Assoc. Member) from Lance Shaw (Compliance Project Manager) re: Russell City Energy Center (01-AFC-7C) Committee Status Conference Comments in the United States mail at Sacramento, California with first-class postage thereon fully prepaid and addressed to those identified on the Proof of Service list above.

OR

Transmission via electronic mail was consistent with the requirements of California Code of Regulations, title 20, sections 1209, 1209.5, and 1210. All electronic copies were sent to all those identified on the Proof of Service list above.

I declare under penalty of perjury that the foregoing is true and correct.



[signature]