CALIFORNIA ENERGY COMMISSION
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The Honorable Mark Leno
Member of the Assembly
455 Golden Gate Avenue, Suite 14300
San Francisco, CA 94102

Dear Assemblymember Leno:

This notice is to inform you of the availability of the Preliminary Staff Assessment (PSA) for the San Francisco Electric Reliability Project (SFERP). The PSA was published on September 12, 2005.

The PSA contains the California Energy Commission's environmental and engineering evaluation of the proposed SFERP. On March 18, 2004, the City and County of San Francisco (CCSF) submitted an Application for Certification (AFC) to construct and operate a nominal 145 megawatt, natural gas fired simple-cycle power plant. The project was initially to be located at the former Potrero power plant site owned by Mirant Corporation. An amendment to the project application, Supplement A, was filed by CCSF on March 25, 2005, involving the relocation of the proposed project to a site approximately 1/4 mile south of the original project site. The new location is a 4-acre parcel owned by the CCSF located south of 25th Street and approximately 900 feet east of Illinois Street. The new project site is located near the San Francisco Bay in the Potrero District of Southeast San Francisco, adjacent to the planned MUNI Metro East Light Rail Vehicle Maintenance and Operations Facility.

Energy Commission staff has concluded in the PSA that if all mitigation measures and recommended conditions of certification are adopted by the Energy Commission and implemented by the applicant, all applicable laws, ordinances, regulations and standards will be complied with and no significant adverse environmental impacts will result from the construction and operation of the SFERP. Staff also concludes that there will not be a disproportionately high and adverse human health or environmental effect on a minority and/or low-income population. Staff is assuming that the still outstanding Cultural Resources and Soil and Water Resources information will support its tentative conclusion that the project will not result in significant impacts. With this caveat, staff is recommending certification of the SFERP subject to all conditions of certification as proposed in the PSA.

Staff will conduct a public workshop on its PSA on October 18, 2005, at the Potrero Hill Neighborhood House in San Francisco. The workshop will provide the public as well as local, state and federal agencies the opportunity to ask questions about and provide input on the PSA.

Comments provided will be considered by staff during the preparation of its Final Staff Assessment (FSA), which will be staff's testimony for future evidentiary hearings.

The PSA and FSA are not the Energy Commission's final decision on the proposed SFERP. After staff and other parties submit testimony, the Energy Commission's Siting Committee assigned to the project, consisting of Commissioner James D. Boyd, the Presiding Member, and Commissioner John L. Geesman, the Associate Member, will conduct one or more hearings. After the hearings are concluded, the Committee will issue its draft Presiding Member's Proposed Decision (PMPD) for a 30-day public comment period. After consideration of comments received, the Committee will issue its final PMPD. The full Commission will then consider the recommendations contained in the PMPD and whether to certify the project at an Energy Commission Business Meeting.

We are available to brief you and your staff on the Energy Commission's power plant review process and the specifics of the PSA for the SFERP. Please contact Cecile Martin, Legislative Director, Office of Governmental Affairs, at (916) 654-4942, if you would like a briefing. If your constituents would like to participate in the Energy Commission's review of the project they should contact Margret J. Kim, the Energy Commission's Public Adviser, at (916) 654-4489, or toll free in California, at (800) 822-6228, or e-mail at PAO@energy.state.ca.us.

Sincerely,

JOSEPH DESMOND
Chairman

cc: CEC Docket 04-AFC-1
Cecile Martin
Margret J. Kim