

CALIFORNIA ENERGY COMMISSION

1516 NINTH STREET
SACRAMENTO, CA 95814-5512**DOCKET**
06-AFC-1

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March 3, 2006



TO: AGENCY DISTRIBUTION LIST

REQUEST FOR AGENCY PARTICIPATION IN THE REVIEW OF THE VERNON POWER PLANT PROJECT, APPLICATION FOR CERTIFICATION (06-AFC-1)

On March 2, 2006, the City of Vernon submitted an Application for Certification (AFC) requesting expedited review under the six-month siting process and approval by the Energy Commission to construct and operate a proposed 610 megawatt (MW) combined cycle generation facility, the Vernon Power Plant (VPP) within the City.

As part of our review process, the staff of the Energy Commission works closely with local, State and federal agencies to ensure that all laws, ordinances, regulations and standards are met and incorporated into the final decision of the Energy Commission. We will also work closely to ensure that any formal notices, findings, opinions (such as those contained in a final Determination of Compliance, wastewater discharge requirements, biological opinions, and land use decisions) are provided in a timely manner.

For federal agencies, President George W. Bush previously directed all relevant agencies to expedite federal permit reviews with respect to the siting of new power plants in California.

Project Description

The proposed VPP will be located at 5001 Soto Street, in the City of Vernon, Los Angeles County, on land between Seville Avenue and Soto Street and south of East 50th Street. The site is immediately south of the City of Vernon's existing Malburg Generating Station power plant. The VPP site is located in an industrial zone in the City of Vernon. The project site is a 5.8-acre vacant parcel owned by the City of Vernon.

The proposed generating facility will be a 610 MW net, combined-cycle generating facility. It will consist of two natural gas-fired Siemens combustion turbine generators (SGT6-5000F) and one steam turbine generator. The City intends to take about 15 to 25 percent of the VPP's capacity as a resource for serving its municipal utility customers; the remainder will be available for serving the energy needs of southern California.

The VPP will use up to 4,048 acre feet per year of recycled water for cooling tower make-up and other uses. The recycled water will be provided by the Central Basin Municipal Water District through a new 2,000-foot-long recycled water pipeline extension in 50th Street to the existing mainline in Boyle Avenue. The cooling tower water will be returned to the Sanitation Districts of Los Angeles County (LACSD) via a reconstructed 12-inch city sanitary sewer line that would either be 1.25 mile (Alternative A) or 1 mile (Alternative B) in length.

Potable water for drinking, safety showers, fire protection, service water, and sanitary uses will be served from the City's potable water system in both Seville Avenue and Soto Street. Sanitary wastewater disposal will also be returned to LACSD via the City's sanitary sewer system.

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The VPP will connect to the electrical transmission system via a new single-circuit 230-kilovolt (kV) line that would loop from the plant's switchyard to Los Angeles Department of Water and Power's existing transmission lines that run down a corridor parallel to and between Alcoa Avenue and S. Downey Road. Total distance for this connection is about 4,500 feet. The VPP may alternatively connect to Southern California Edison's Laguna Bell Substation. Total distance for this alternative connection is approximately 5 miles.

Natural gas for the facility will be delivered via approximately one mile of new 20-inch pipeline that will connect to Southern California Gas Company's existing gas transmission line located on S. Downey Road.

Assuming the VPP receives a license from the Energy Commission by October 2006, it is expected that construction of the project would start by the fourth quarter of 2006, and full-scale commercial operation is scheduled to begin by the third quarter of 2008.

Energy Commission's Facility Certification Process

The Energy Commission is responsible for reviewing and ultimately approving or denying all thermal electric power plants, 50 MW and greater, proposed for construction in California. The Energy Commission's facility certification process carefully examines public health and safety, environmental impacts and engineering aspects of proposed power plants, and all related facilities such as electric transmission lines and natural gas and water pipelines. The issuance of a certificate by the Energy Commission is in lieu of any local, state, or federal permit (to the extent permitted by federal law). The Energy Commission's responsibilities are those of a lead agency under the California Environmental Quality Act (CEQA), except the Energy Commission's analysis includes several environmental and decision documents rather than an Environmental Impact Report.

The first step in the review process is for Energy Commission staff to determine whether or not the AFC contains all the information required by our regulations for either the 6-month expedited process or 12-month standard review. When the AFC is deemed data adequate, we will begin data discovery and issue analysis phases. During this time, a detailed examination of the issues will occur. There will be opportunities for your staff to confer with Energy Commission staff regarding issues of concern to your agency. We ask that any requests for additional information come early in the discovery process to ensure timely issuance of your agency's final comments or determination.

Over the coming months, the Energy Commission will conduct a number of public workshops and hearings on the proposal to determine whether the project should be approved for construction and operation and under what set of conditions. These workshops will provide the public as well as local, state and federal agencies the opportunity to ask questions about, and provide input on, the proposed project. The Energy Commission will issue notices for these workshops and hearings at least 10-14 days prior to the meeting.

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Agency Participation

During this data adequacy phase, we request that you review the sections of interest to your agency and determine whether the major issues of concern to your agency have been identified. At this time, we are only concerned that such issues are disclosed, not necessarily that they be discussed in detail. We request that you provide any written comments you may have regarding the disclosure of potential issues of concern by **April 3, 2006**. Please provide your comments to James W. Reede, Jr., Ed.D, the Energy Commission's Project Manager, 1516 9th Street, MS-15, Sacramento, CA 95814. Your agency may also present its comments and recommendations in person at the Energy Commission's April 12, 2006 Business Meeting. The limited purposes of that meeting will be to determine whether the AFC is data adequate in accordance with our regulations and to assign a committee of two commissioners to oversee the proceeding.

We will advise you when the AFC is accepted as data adequate. Your participation in future proceedings is encouraged and will allow you to identify and try to resolve issues of concern to your agency. There may be specific requests for agency review and comment during the proceeding. Local agencies may seek reimbursement for costs incurred in responding to these requests. However, this request for comments during data adequacy is not reimbursable under Energy Commission guidelines. We look forward to working with your staff on the various issues of interest to your agency.

Enclosed is a copy (CD) of the AFC in electronic format. If you would like to have a hard copy of the AFC sent to you, if you have questions, or if you would like additional information on local agency reimbursement or on how to participate in the Energy Commission's review of the project, please contact James W. Reede, Jr., Siting Project Manager, at (916) 653-1245 or by email at jreede@energy.state.ca.us. The status of the project, copies of notices and other relevant documents are also available via the Energy Commission's Internet web site at: <http://www.energy.ca.gov/sitingcases/index.html>.

Sincerely,



Roger E. Johnson, Manager
Energy Facilities Siting and Compliance Office

Enclosure
Mailed to list