

CALIFORNIA ENERGY COMMISSION

1516 NINTH STREET
SACRAMENTO, CA 95814-5512
www.energy.ca.gov

DOCKET**06-AFC-2**

DATE Jun 02 2006

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June 2, 2006

Dear Librarian:

**DOCUMENT HANDLING FOR THE AES HIGHGROVE POWER PLANT PROJECT,
APPLICATION FOR CERTIFICATION (06-AFC-2)**

On May 25, 2006, AES Corporation submitted an Application for Certification (AFC) to construct and operate a nominal 300 megawatt (MW) simple-cycle power plant, the Highgrove Power Plant Project (HPP), in the City of Grand Terrace, San Bernardino County.

The power plant project is under the Energy Commission's siting authority. The power plant certification process examines engineering, environmental, public health, and safety aspects of power plant proposals and provides analyses pursuant to the California Environmental Quality Act (CEQA). When issuing a license, the Energy Commission is the lead state agency under CEQA, and its process is functionally equivalent to the preparation of an Environmental Impact Report.

The Energy Commission's siting process is open to the public and incorporates the input of the public as well as local, state, and federal agencies. To facilitate public participation in our review process, the Energy Commission has sent copies of the AFC to libraries in the project area, and to libraries in Los Angeles, Sacramento, San Francisco, San Diego, Fresno, and Eureka.

Please make the enclosed AFC available for those who may wish to be informed about the project. We request that you not allow the AFC or any of its contents be removed from the library. To increase accessibility of the document, we ask, if possible, that you cross reference it as a general reference work under the title and author categories, as well as under such subjects as "Energy Commission," "electricity," "energy/generation," "power plant siting," or any other relevant subject.

Thank you for your cooperation. If you have any questions, please contact James W. Reede, Jr., Energy Commission Project Manager, at (916) 653-1245, or by email at jreede@energy.state.ca.us.

Sincerely,

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

Enclosure

CALIFORNIA ENERGY COMMISSION1516 NINTH STREET
SACRAMENTO, CA 95814-5112

June 2, 2006

To: MEMBERS OF THE PUBLIC**PUBLIC PARTICIPATION IN THE REVIEW OF THE AES HIGHGROVE POWER PLANT PROJECT, APPLICATION FOR CERTIFICATION (06-AFC-2)**

On May 25, 2006, AES Corporation submitted an Application for Certification (AFC) to construct and operate a simple-cycle (peaking) power plant, the Highgrove Power Plant Project (HPP), in the City of Grand Terrace, San Bernardino County.

The proposed HPP site would be located at 12700 Taylor Street, in an industrially zoned area in the City of Grand Terrace, San Bernardino County, on the site of a power plant formerly owned by Southern California Edison (SCE). The project site is a 10.1-acre parcel currently owned by a wholly-owned subsidiary of AES and operating as the Riverside Canal Power Company. The project will consist of demolition of the existing plant and construction of the new Highgrove facility on property that was once used by the former generating station for fuel oil storage.

The proposed generating facility would consist of three General Electric LMS100 natural gas-fired turbine generators and associated equipment. The HPP is designed as a peaking facility to meet electric generation load during periods of high demand, which generally occur during daytime hours, and more frequently during the summer portions of the year. The project is expected to have an annual capacity factor of approximately 15 to 30 percent, depending on weather-related customer demand, load growth, hydroelectric supplies, generating unit retirements and replacements, the level of generating unit and transmission outages, and other factors.

The HPP proposes to use water from two of four existing onsite wells for cooling and other power plant processes and for site landscape irrigation. The wells would supply, on average, approximately 415 acre-feet per year of ground water for the project. Potable water for drinking and sanitary uses would be provided through a 1,300-foot-long pipeline connection to a Riverside Highland Water Company water main in Main Street. Sanitary wastewater would be discharged to the City Of Grand Terrace sanitary sewer system. Process wastewater would be trucked twice a day approximately 5 miles to the San Bernardino Water Reclamation Plant, which is the connection to the Santa Ana Regional Interceptor brine pipeline system. The wastewater would then be conveyed to the Orange County Sanitation District wastewater treatment plant, which discharges to an ocean outfall.

The HPP would be connected to Southern California Edison's (SCE) electrical system at the existing Highgrove Substation, which is located adjacent to the project site. This connection would require approximately 600 feet of new 115-kilovolt transmission line.

Natural gas would be supplied to the HPP via a new 7-mile, 12-inch diameter pipeline connection to a Southern California Gas Company (SoCalGas) high-pressure gas pipeline 2001. The pipeline would start at the site and run westerly along Main Street to Iowa Street

and then run southerly along Iowa Street to Martin Luther King Blvd. The pipeline would then go east for approximately one half mile to Canyon Crest Drive heading southerly to its terminus at the SoCalGas transmission pipeline 2001.

Assuming the HPP receives a license from the Energy Commission by June 2007, construction of the project would start in late summer 2007 assuming execution of a power purchase agreement with an energy retail provider and completion of project financing. Full-scale commercial operation would begin during 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 Energy Commission's responsibilities are those of a lead agency under CEQA, except the Energy Commission's analysis takes the form of several environmental and decision documents rather than an Environmental Impact Report.

Public Participation

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. If you are not currently receiving these notices and want to be placed on the mailing list, please contact Angela Hockaday, Project Secretary, at (916) 654-3925, or by e-mail at ahockada@energy.state.ca.us.

If you desire information on participating in the Energy Commission's review of the project, please contact Margret Kim, the Energy Commission's Public Adviser, at (916) 654-4489 or toll free in California, at (800) 822-6228. Technical or project schedule questions should be directed to James W. Reede, Jr., Energy Commission 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 on the Energy Commission's Internet web site at <http://www.energy.ca.gov/sitingcases/highgrove>. You can also receive email notification of all project related activities and availability of reports by subscribing to the Listserve on the website. News media inquiries should be directed to Assistant Director, Claudia Chandler, at (916) 654-4989.

Note: Please retain this letter behind the front cover of the AFC. Thank You.