

CALIFORNIA ENERGY COMMISSION1516 NINTH STREET
SACRAMENTO, CA 95814-5512

**NOTICE OF RECEIPT
APPLICATION FOR CERTIFICATION
HIGHGROVE POWER PLANT PROJECT
Docket No. (06-AFC-2)**

DOCKET	
06-AFC-2	
DATE	Jun 02 2006
RECD.	Jun 02 2006

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 HPP would be a nominal 300 megawatt (MW) simple-cycle power plant consisting 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 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 HPP proposes to use water from two of four existing onsite wells for cooling and other power plant processes and for site landscape irrigation, but the applicant is also evaluating alternative water supplies. The onsite 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 (SARI) 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 SCE's 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

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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, natural gas pipelines, etc. The Energy Commission's responsibilities are those of a lead agency under the California Environmental Quality Act (CEQA), except the Commission's analysis takes the form of 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. When the AFC is deemed data adequate, we will begin data discovery and issue analysis phases. At that time, a detailed examination of the issues will occur.

Public Participation

Over the coming months, the Energy Commission will conduct a number of public workshops and hearings to determine whether the project should be approved for construction and operation and under what set of conditions. These workshops will provide the public and local, State and federal agencies the opportunity to ask questions and provide input about 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 desire information on participating in the Energy Commission's review of the project, please contact Ms. Margret Kim, the Energy Commission's Public Adviser, at (916) 654-4489 or toll free in California, at (800) 822-6228. The Public Adviser's Office can also be contacted via email at pao@energy.state.ca.us. Please direct your technical or schedule questions to James W. Reede, Jr., Energy Commission Project Manager, at (916) 653-1245, or jreede@energy.state.ca.us. The status of the project, copies of notices, an electronic version of the AFC, 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 Executive Director, Claudia Chandler, at (916) 654-4989.

This notice of receipt has been mailed to all parties that requested placement on the mailing list during the pre-filing period and to property owners located within 1000 feet of the

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proposed project site and within 500 feet of any linear feature. By being on the mailing list, you will receive notices of all project-related activities and notices when documents related to the project's evaluation are available for review. If you wish to be removed from the mailing list, please contact Ms. Angela Hockaday, Project Secretary, at (916) 654-3925, or e-mail at ahockada@energy.state.ca.us.

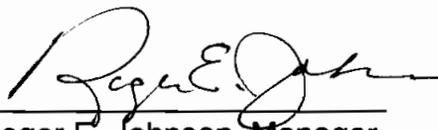
Availability of the AFC Document

Copies of the AFC are available for public inspection at:

Grand Terrace Branch Library
22795 Barton Road Unit A
Grand Terrace, CA 92313-5295

Copies are also available at 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. In addition, copies will be distributed to those public agencies that would normally have jurisdiction except for the Energy Commission's exclusive authority to certify sites and related facilities.

DATE: 6/2/06



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

Mailed to list