

## CALIFORNIA ENERGY COMMISSION

1516 NINTH STREET  
SACRAMENTO, CA 95814-5112



# DOCKET

## 06-AFC-2

DATE Jun 02 2006

June 2, 2006

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TO: AGENCY DISTRIBUTION LIST

### REQUEST FOR AGENCY 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 nominal 300 megawatt (MW) simple-cycle power plant, the Highgrove Power Plant Project (HPP), in the City of Grand Terrace, San Bernardino County.

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.

#### Project Description

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, 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 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 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 CEQA, except the Energy 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 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. 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.

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

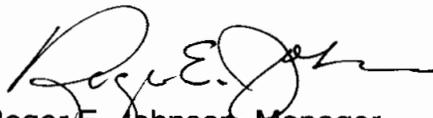
During this data adequacy phase, we request that you review the sections of interest to your agency and determine whether the major issues of concern to your agency have been identified. At this time, we are only concerned that such issues are disclosed, not necessarily that they be discussed in detail. We request that you provide any written comments you may have regarding the disclosure of potential issues of concern by **Tuesday, June 27, 2006**. Please address your comments to James W. Reede, Jr., Project Manager, 1516 9<sup>th</sup> Street, MS-15, Sacramento, CA 95814. Your agency may also present its comments and recommendations in person at the Energy Commission's July 5, 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.

When the AFC is accepted as data adequate, your participation in the proceeding 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 proceedings after the AFC has been determined to be data adequate. 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.

Assuming that the project is found to be data adequate on July 5, 2006, your agency's preliminary and final determinations and opinions (such as those contained in a Determination of Compliance, wastewater discharge requirements, biological opinions, and land use decisions) would be due by **November 2, 2006** (120 days) and **January 3, 2007** (180 days), respectively.

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 reimbursement or on how to participate in the Energy Commission's review of the project, please contact James W. Reede, Jr., Project Manager, at (916) 653-1245, or by email at [jreede@energy.state.ca.us](mailto:jreede@energy.state.ca.us). The status of the project, copies of notices, 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.

Sincerely,



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

Enclosure