

**DOCKET
07-AFC-4**

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STATE OF CALIFORNIA

CALIFORNIA ENERGY RESOURCES AND DEVELOPMENT COMMISSION

In the Matter of:)

Docket No. 07-AFC-4

)
Application for Certification for the)
Chula Vista Energy Upgrade Project)
_____)

**MMC'S OBJECTION TO CALIFORNIA ENERGY COMMISSION STAFF DATA
REQUEST 40**

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Dated: December 3, 2007

STATE OF CALIFORNIA

ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION

In the Matter of:)	Docket No.: 07-AFC-4
)	
Application for Certification for the)	MMC'S OBJECTION TO CALIFORNIA
Chula Vista Energy Upgrade Project)	ENERGY COMMISSION STAFF DATA
_____)	REQUEST 40

MMC Energy, Inc. ("MMC") hereby notifies the Committee and California Energy Commission ("Commission") Staff of its objection to Commission Staff's Data Request 40.

MMC objects to providing the requested information for three reasons:

1. The question itself does not make sense. However, we assume that Staff is requesting that MMC consider the use of inlet air chillers in lieu of foggers as described in the AFC,
2. The proposed air chiller would require additional balance-of-plant equipment thereby increasing the cost, reducing the efficiency and inordinately increasing the size of the facility, and
3. This peaking facility does not meet the definition of "powerplant" as used by the State Water Resources Control Board in its policy 75-58 ("SWRCB 75-58") and as integrated into the Commission's Integrated Energy Policy Report, 2003 ("IEPR").

MMC received Commission Staff's data requests 1 through 47 on November 14, 2007.

This response is within the 20 day limit for objections consistent with California Code of Regulations Section 1716(f). MMC is working diligently to respond to the remaining data requests.

Data Request 40 does not make sense.

Section 1716 of California Code of Regulations Title 20, allows a party to request information that is relevant and reasonably necessary to make a decision on the application.

Unfortunately, Data Request 40 does not make sense. Data Request 40 asks for the following:

Please provide economic and environmental analysis for the proposed use of air chillers instead of water.

The word "water" at the end of this request does not mean anything in this context. Therefore, it is impossible to respond to this question as asked.

Representatives for MMC called Commission Staff to determine what they were asking for in Data Request 40. According to Commission Staff, they would like an economic and environmental analysis of using air chillers in place of inlet fogging. An air chiller system would require a major rearrangement of the site and increase the overall plant heat rate thereby, decreasing the efficiency of the facility. MMC understands from Commission Staff that they are no longer looking for an analysis of the sprint system. MMC notes that the sprint system is used for power augmentation and not for cooling.

MMC consulted its engineers regarding the use of an air chiller to cool inlet air. An inlet air chiller system would use a closed refrigeration system that circulates glycol as the cooling medium for the inlet air through cooling coils placed in the air inlet housing of the CTG. The incoming air passes over the chiller coils, and is cooled by the cold glycol in the coils. The glycol is then piped through a heat exchanger to release thermal energy picked up from the inlet air before starting the cycle again. The heat exchanger can be either air cooled or water cooled. Since the expectation is to reduce the overall water usage, an air cooled heat exchanger would be desired. However, this heat exchanger would be approximately 60 by 40 feet in size and would require more space than is currently available at this site in the current plant configuration. The

air to glycol heat exchanger would need to move a very large volume of air to effectively cool the glycol stream given the high ambient temperature in which this system would most likely be required to operate. As a whole, air cooled chillers are less efficient than water cooled chillers, and would need approximately 3% of the facility power output to operate, reducing the net power output and increasing the heat rate of the facility accordingly. Using cooling towers to cool the glycol would not address Commission Staff's concern because the amount of water used by the facility for this purpose would be equal to or greater than the water proposed for inlet fogging.

MMC understands Commission Staff's concern about using water for power plant purposes but does not believe air chillers are the solution for cooling inlet air because of their inefficiency for this purpose.

CVEUP is a simple cycle facility.

CVEUP is a simple cycle power plant. CVEUP is not a "powerplant" for purposes of SWRCB 75-58 and the California Energy Commission's IEPR. SWRCB 75-58 applies to powerplants defined as steam-electric or steam-cycle power generating facilities. *See SWRCB 75-58 (defining steam-electric power generating facilities as "electric power generating facilities utilizing fossil or nuclear-type fuel or solar heating in conjunction with a thermal cycle employing the steam-water system as the thermodynamic medium and for the purposes of this policy is synonymous[sic] with the word 'powerplant' " (emphasis added)).* The CVEUP would use a gas turbine engine in a simple cycle configuration, and therefore has no HRSG or other means of generating steam of any kind and as such, the CVEUP will not be a steam-cycle power generating facility as used in SWRCB 75-58.

MMC believes Commission Staff refers to a letter from Arthur Baggett, Jr. to Robert Laurie dated May 23, 2002 ("Letter") for the premise that any evaporative cooling process is implicated by SWRCB 75-58. This letter specifically refers to a move from supercritical steam boiler technology like that employed at Moss Landing Units 6 and 7 to combined cycle powerplants and does not refer to simple cycle powerplants.

The Powerplant Cooling Policy (Policy) is quite old, and I realize that some factors have changed. Most notable in these changes is the move to combined cycle powerplants that need substantially less cooling and added concerns and regulations on the use of once-through cooling using ocean water.

(Letter at 1.) Furthermore, a clarification letter cannot in and of itself change an adopted policy of the State Water Resources Control Board.

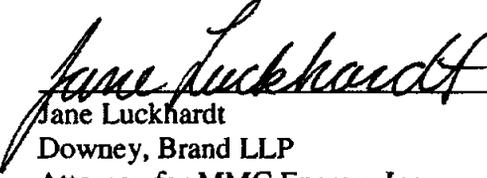
Regarding the IEPR, the IEPR refers to three power plants using dry cooling, two that became operational in 1996 and 2001 and another in San Diego County approved by the Commission with dry cooling. (IEPR at 39.) These examples are provided to support the IEPR conclusion that dry cooling is commercially viable. Based on my research, I believe the plants referred to in the IEPR are the Crockett Cogeneration Project, Sutter Energy Center, and Otay Mesa Generating Project. All three of these reference projects are combined cycle powerplants with air cooled condensers for the steam cycle of the combined cycle facility. The IEPR also relies heavily upon SWRCB 75-58 in setting the Commission's policy on the use of water in powerplants. (IEPR at 40.) Thus, the IEPR itself clearly indicates its focus on combined cycle projects that employ cooling towers or a "steam-water system". CVEUP has neither. Therefore, SWRCB 75-58 and the IEPR, which is based on SWRCB 75-58, do not apply to the CVEUP.

The information requested is irrelevant and inapplicable.

As discussed, because the inlet air chillers will not physically fit on the existing site without a major rearrangement of the equipment, the CVEUP is not a powerplant for purposes of

SWRCB 75-58 and the IEPR, and the proposed alternative air chillers would be grossly inefficient; MMC objects to Commission Staff Data Request 40 asking for an economic and environmental analysis for the proposed use of air chillers instead of water as irrelevant and inapplicable.

Respectfully,



Jane Luckhardt
Downey, Brand LLP
Attorney for MMC Energy, Inc.

**BEFORE THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT COMMISSION
OF THE STATE OF CALIFORNIA**

**APPLICATION FOR CERTIFICATION FOR
THE CHULA VISTA ENERGY UPGRADE
PROJECT**

DOCKET NO. 07-AFC-4

**PROOF OF SERVICE
(Revised 11/21/07)**

INSTRUCTIONS: All parties shall either (1) send an original signed document plus 12 copies or (2) mail one original signed copy AND e-mail the document to the address for the docket as shown below, AND (3) all parties shall also send a printed or electronic copy of the document, which includes a proof of service declaration to each of the individuals on the proof of service list shown below:

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DECLARATION OF SERVICE

I, Lois Navarrot, declare that on December 3, 2007, I deposited copies of the attached **MMC'S OBJECTION TO CALIFORNIA ENERGY COMMISSION STAFF DATA REQUEST 40** in the United States mail at Sacramento, California with first-class postage thereon fully prepaid and addressed to those identified on the Proof of Service list above.

OR

Transmission via electronic mail was consistent with the requirements of the California Code of Regulations, title 20, sections 1209, 1209.5 and 1210. All electronic copies were sent to all those identified on the Proof of Service list above.

I declare under penalty of perjury that the foregoing is true and correct.



Lois Navarrot