

Memorandum

Date: November 10, 2010

To: Melissa Jones
Executive Director

From: California Energy Commission - Terry O'Brien, Deputy Director
1516 Ninth Street Siting, Transmission & Environmental Protection Division
Sacramento, CA 95814-5512

Subject: **ITEM FOR THE DECEMBER 15, 2010 BUSINESS MEETING -**

PROJECT BACKGROUND

The San Francisco Reliability Project is a 145 MW simple cycle peaking power plant that was certified on October 3, 2006. The Project was proposed for a location on a 4-acre site owned by City and County of San Francisco (CCSF) that lies south of 25th Street and approximately 700 feet east of Illinois Street. The proposed Project has never been built. In an e-mail dated June 28, 2010 the San Francisco Public Utilities Commission requested that the license for the project be terminated. The Applicant is requesting that the license for the project be terminated prior to it expiring on October 3, 2011.

- The San Francisco Reliability Project was a 145 MW simple cycle peaking power plant.
- On October 3, 2006, the Energy Commission certified the San Francisco Reliability Project. The license is scheduled to expire on October 3, 2011.
- On March 25, 2005, Supplement A, an amendment to the Application for Certification for the San Francisco project, was filed with the California Energy Commission. The amendment changed the location of the project from Mirant Corporation's existing Potrero Power Plant site to a 4-acre site owned by CCSF that lies south of 25th Street and approximately 700 feet east of Illinois Street. The new site is approximately 1/4 mile south of the Potrero site originally proposed.
- On July 21, 2009 the Board of Supervisors for CCSF canceled the San Francisco Reliability Project (File Number 090710).
- On March 8, 2010 the combustion turbines associated with this project were sold at auction.
- In an e-mail provided to the Energy Commission on June 28, 2010 the applicant stated that the combustion turbines associated with the Project were sold at auction on March 8, 2010. The e-mail also requests that the Energy Commission license for the Project be terminated and that a formal letter would be sent to the Energy Commission.
- CCSF has paid compliances fees annually from October 2006 through July 2009.
- On July 6, 2010, the City of San Francisco Public Utilities Commission submitted a formal letter to the CPM requesting that license for the Project be terminated.

ISSUE

The San Francisco Reliability Project will not be built and will no longer require Energy Commission oversight. Annual compliance fees will no longer be needed for this project. The City of San Francisco Public Utilities Commission requests that the license for the Project be terminated and that no further compliance fees be collected.

SUMMARY OF ANALYSIS BY STAFF

The submittal was reviewed by Energy Commission staff. Based on this review, staff determined that the Conditions of Certification no longer apply since the project will not be built.

PUBLIC REVIEW

A Notice of Receipt was docketed, posted on the Energy Commission website, and mailed to the post-certification mailing list in October 13, 2010. To date, no comments have been received.

RECOMMENDATIONS

Staff recommends that the Energy Commission terminate the license for the San Francisco Reliability Project and that no further compliance fees be collected as of June 28, 2010 (the date of the petition).

COMPLIANCE PROJECT MANAGER

The Compliance Project Manager is Christine Stora, (916) 654-4745.

BUSINESS MEETING PARTICIPANTS

Christine Stora, CPM

Kevin W. Bell, Compliance Staff Counsel

Attachment(s): Draft Order