

## Briefing Outline for Siting Committee Presentation

### LOS ESTEROS CRITICAL ENERGY FACILITY (03-AFC-2C)

**Contact:** Christina Snow 651-3770

**Time Needed:** 15 minutes

**Action Requested of Siting Committee:** This is an informational item for review

**Business Meeting Date:** January 26, 2010

#### **Background:**

The Los Esteros Critical Energy Facility (LECEF) consists of an operational 180 MW simple-cycle power plant (LECEF Phase 1) that is being converted to a 320 MW combined-cycle plant (LECEF Phase 2). The original 180 MW project was licensed on July 2, 2002 (Commission Decision 01-AFC-12) and has been operational since March 7, 2003. Under a separate AFC number (03-AFC-2), the Commission approved a license extension to continue to operate LECEF Phase 1 Project beyond June 30, 2005 and to temporarily interconnect to PG&E's 115kV transmission line. In October 2006, the Commission approved a project modification to the existing power plant to convert the project to a combined-cycle operation (03-AFC-2). The Project is located in San Jose near the intersection of State Route 237 and Zanker Road.

#### **SUMMARY OF PETITION**

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- On October 30, 2009, the Energy Commission received a petition from Los Esteros Energy Facility, LLC (01-AFC-12C). The modifications proposed in the petition would:
  - Use an underground interconnection similar to what was authorized in the 2002 Decision. This proposed electrical transmission interconnection will connect LECEF to PG&E's grid by way of two new underground three-phase, single circuit, solid-dielectric, copper-conductor circuits between LECEF's Air Insulated Substation (AIS) and the adjacent Los Esteros 115 kV switchyard.
  - Add a new breaker and reconductor a 1.1 to 1.3 mile portion of PG&E's San Jose-Trimble 115 kV line as required by the 2008 California Independent System Operator Interconnection Study for the Los Esteros Expansion Project.

- Update existing Air Quality Conditions of Certification to lower the emission limits for carbon monoxide (CO) and Precursor Organic Compounds (POC).

## **STAFF ANALYSIS**

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- Staff analyzed the petition and determined that there will be no significant impacts as a result of the proposed amendment.
- Due to newer stringent air quality requirements of the Bay Area Air Quality Management District, 27 Air Quality Conditions of Certification are being amended. Additionally, 10 Conditions of Certification are being revised to reflect changes in equipment. The revised conditions include: AQ-3, AQ-4, AQ-6, AQ-7, AQ-SC7, AQ-8, AQ-10, AQ-SC12, AQ-SC 13, AQ-18, AQ-19, AQ-20, AQ-21, AQ-22, AQ-23, AQ-24, AQ-27, AQ-35, AQ-37, AQ-39, AQ-40, AQ-41, AQ-42, AQ-43, AQ-44, AQ-45, and AQ-46. Equipment Description Changes to the Conditions of Certification include S-1, S-2, S-3, S-4, S-5, S-7, S-8, S-9, S-10 and S-11.

No additional changes are recommended for the Conditions of Certification.

## **PUBLIC PROCESS**

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- The Petition to modify project filed/docketed on October 30, 2009 and posted on the Energy Commission's website on November 2, 2009.
- Notice of Receipt mailed to the post-certification mailing list and affected public agencies, posted to the Energy Commission Website, and docketed on November 12, 2009.
- A Staff issued data request was docketed on December 2, 2009.
- Staff analysis mailed to interested parties and docketed on December 17, 2010. The staff analysis was then posted on the Energy Commission Website on December 20, 2010.
- On December 22<sup>nd</sup>, the Bay Area Air Quality Management District (BAAQMD) submitted comments requesting revisions be made to the Air Quality staff analysis and that one air quality condition of certification be revised. Minor wording revisions were made and AQ-SC7 condition was also changed to reflect this. No other comments have been received.
- Staff prepared a notice of Errata to the staff analysis and docketed, distributed and posted on the Energy Commission's website on January 5, 2011.
- The Bay Area Air Quality Management District is planning to approve the modification.

## **FINDINGS**

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- The petition meets all the filing criteria of Section 1769(a) concerning post-certification project modifications;
- The modification will not change the findings in the Energy Commission's Final Decision pursuant to Section 1755;
- The project will remain in compliance with all applicable laws, ordinances, regulations, and standards, subject to the provisions of Public Resources Code section 25525;
- The proposed modifications to the Air Quality Conditions of Certification will result in a beneficial change by adopting emission limits substantially lower than those set in the previous 2006 Energy Commission Decision; and,
- There has been a substantial change in circumstances since the Energy Commission certification justifying the change and that the change is based on information that was not available to the parties prior to Energy Commission certification in that the proposed modifications relate to the undergrounding of a permanent transmission line are now necessary to allow continued reliable interconnection between LECEF Phase 2 and the PG&E transmission system. The Owner prefers that the Project remain permanently connected to the Los Esteros Substation rather than move to connect to the Silicon Valley Power Substation, as authorized in the 2006 Decision. The circumstances of the PG&E system upgrades attributable to the project were not known at the time of the 2002 Decision. The proposed modifications to the Air Quality Conditions of Certification concerning CO and POC emission limits are necessary to achieve the current BACT standards.

## **RECOMMENDATION**

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- Staff recommends that the Energy Commission approve the project modification(s) and associated revisions to the air quality conditions of certification.