

Memorandum

Date: April 18, 2011

To: Melissa Jones
Executive Director

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

Subject: ITEM FOR THE MAY 4 BUSINESS MEETING – HUNTINGTON BEACH
GENERATING STATION RETOOL PROJECT UNITS 3 AND 4 (00-AFC-13C)
PETITION FOR OWNERSHIP CHANGE

ENERGY COMMISSION ACTION REQUESTED

Staff recommends that the California Energy Commission (Energy Commission) approve the ownership change petition filed on March 30, 2011, by AES Huntington Beach, LLC (AES) to change ownership of the Huntington Beach Generating Station Retool Project Units 3 and 4 (HBGS) from AES to Edison Mission Huntington Beach, LLC (EMHB).

PROJECT DESCRIPTION

The Huntington Beach Generating Station Retool Project is a nominal 450 MW, natural gas-fired facility located in the City of Huntington Beach in Orange County. Modernization of two of the project's Units, 3 and 4, was certified by the Energy Commission on May 10, 2001 in an expedited licensing process pursuant to the Governor's Executive Order D-22-01 for a limited time of 10-years. The units began operation in July 2002 (Unit 3) and August 2003 (Unit 4).

On October 20, 2010 the Energy Commission approved a petition to extend the permit expiration for the HBGS from September 30, 2011 to September 30, 2016 with the potential to extend to December 31, 2020 if an AFC to repower the facility is submitted on or before June 30, 2012 and deemed adequate by December 31, 2012.

PROPOSED OWNERSHIP CHANGE

The petition requests approval to change the ownership of the Huntington Beach Generating Station Retool Project Units 3 and 4 from AES to EMHB. It states that the purpose of the request is to facilitate the sale of the assets. The name of the project will not change.

STAFF REVIEW

The petition was reviewed and docketed by Energy Commission staff. A statement describing the change in ownership, signed under penalty of perjury by a representative of the proposed new owner of the project, was submitted to the Energy Commission staff for review and approval as required by Title 20, California Code of Regulations, section 1769(b). The statement affirms that the new owner agrees to be bound by the requirements of the

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Energy Commission's Decision for the Huntington Beach Generating Station Retool Project and understands the obligations imposed by the Conditions of Certification.

PUBLIC REVIEW

A Notice of Receipt of the petition for change of ownership was docketed, mailed to the post-certification mailing list on April 18, 2011 and posted to the Energy Commission's website. The final date for receipt of public comments is May 2, 2011.

STAFF RECOMMENDATION

Staff has determined that the petition for change of ownership meets the requirements mandated by Title 20, section 1769(b) of the California Code of Regulations. Therefore, staff recommends approval of the change of ownership.

BUSINESS MEETING PARTICIPANTS

Christina Snow, Amendment Compliance Project Manager

Chris Marxen, Compliance Office Manager

Kevin W. Bell, Compliance Staff Counsel

Attachment(s): Draft Order