

CALIFORNIA ENERGY COMMISSION1516 NINTH STREET
SACRAMENTO, CA 95814-5512

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

In the Matter of:)	Docket No. 98-AFC-1C
LOS MEDANOS ENERGY CENTER)	
)	Order No.
LOS MEDANOS ENERGY CENTER,)	
LLC)	ORDER APPROVING Petition to Amend

On April 19, 2011, the Los Medanos Energy Center, LLC (LMEC) filed a petition with the California Energy Commission (Energy Commission) requesting to modify the Los Medanos Energy Center. The nominal 500-megawatt project was certified by the Energy Commission on August 17, 1999. This amendment request proposes to make efficiency improvements to the Advanced Gas Path (AGP) in the existing turbines S-1 and S-3. The efficiency improvements will be obtained by increasing the turbine firing temperature, thereby generating more power from the same amount of fuel. The work is scheduled to be completed sometime in the spring of 2011 after Energy Commission approval of the license amendment.

After considering the proposed changes, staff filed a Notice of Staff Approved Project Modification pursuant to Title 20, California Code of Regulations, Section 1769(a)(2) on April 29, 2011. Staff's recommendation that the modifications be approved under this section was based on the conclusions that: 1) the proposed modifications will not change any Conditions of Certification; 2) there is no possibility that the changes will have any effect on the environment or on public health and safety, as the proposed changes will not result in any exceedence of any limits as set forth in any Conditions of Certification; and 3) the project will remain in compliance with all laws, ordinances, regulations, and standards.

On May 4, 2011, James McDonald of CARE submitted a document entitled "Notice of CALIFORNIA ENERGY COMMISSION's failure to do an Environmental Justice study, failure to allow public input in decision making process." Staff have opted to treat this comment by CARE as an objection pursuant to Title 20, California Code of Regulations, Section 1769(a)(2) and (a)(3), and have placed this matter before the full Commission for consideration.

STAFF RECOMMENDATION

Energy Commission staff reviewed the petition and finds that it complies with the requirements of Title 20, Section 1769(a) of the California Code of Regulations. Staff recommends approval of the requested changes to the LMEC.

ENERGY COMMISSION FINDINGS

Based on staff's analysis, the Energy Commission concludes that with the above exceptions the proposed changes will not result in any significant impact to public health and safety, or the environment. The Energy Commission public review process has been certified as a CEQA-equivalent, and therefore satisfies CEQA requirements. The Energy Commission finds that:

- 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 proposed modifications will not change any Conditions of Certification.
- There is no possibility that the changes will have any effect on the environment or on public health and safety, as the proposed changes will not result in any exceedence of any limits as set forth in any Conditions of Certification.
- 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 Change will be beneficial to the public because there will be an increase in the efficiency of the facility, thereby generating more power from the same amount of fuel.
- The changes to increase efficiency are based on information that was not available to the parties prior to Commission certification.

CONCLUSION AND ORDER

The California Energy Commission hereby adopts Staff's recommendations and approves the Petition to Amend the Los Medanos Energy Center.

IT IS SO ORDERED.

Date: May 18, 2011

STATE OF CALIFORNIA
ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION

DR. ROBERT B. WEISENMILLER
Chairman