CALIFORNIA ENERGY COMMISSION
1516 NINTH STREET
SACRAMENTO, CA 95814-5512
www.energy.ca.gov

DATE: October 9, 2014

TO: Interested Parties

FROM: Mary Dyas, Compliance Project Manager

**SUBJECT: HENRIETTA PEAKER PROJECT (01-AFC-18C)
PROPOSED REVOCATION OF 2010 COMBINED-CYCLE CERTIFICATION AND REINSTATEMENT OF 2002 ORIGINAL SIMPLE-CYCLE CERTIFICATION**

On March 24, 2014, GWF Energy, L.L.C. (GWF), filed a petition with the California Energy Commission (Energy Commission) requesting the revocation of the Amended Final Decision for the GWF Henrietta Combined-Cycle Power Plant (GWF Henrietta) and the reinstatement of the original 2002 certification to operate as the simple-cycle Henrietta Peaker Plant (HPP). Staff has prepared an analysis of these proposed changes that can be reviewed on the Energy Commission website for this facility (see below).

The HPP was originally certified by the Energy Commission as a simple-cycle, natural gas-fired, 95-megawatt (MW) facility in its Decision on March 5, 2002 (Original 2002 Certification). The facility began commercial operation on July 1, 2002, and is located approximately one mile south of Highway 198 on 25th Avenue, southeast of the City of Lemoore in Kings County.

In October, 2008, the Energy Commission received a petition from GWF asking to convert the simple-cycle HPP to the combined-cycle, 120-MW GWF Henrietta by adding two once-through steam generators to recover heat from the exhaust of the existing turbines and produce steam to power a new 25-MW steam turbine generator. The Commission approved the petition on March 24, 2010 (2010 Amended Certification). Due to changing market conditions, the demand for additional combined-cycle generation did not materialize, so GWF did not move forward with the conversion.

Energy Commission staff reviewed the March 24, 2014 petition and assessed its impacts on environmental quality and on public health and safety. In the Staff Analysis, staff proposes no new and/or revised conditions of certification. It is staff's opinion that, if the petition is approved, the project would remain in compliance with applicable laws, ordinances, regulations, and standards and that the proposed changes would not result in a significant adverse direct or cumulative impact to the environment (20 Cal. Code of Regs., § 1769). Staff intends to recommend approval of the petition at the November 12, 2014 Business Meeting of the Energy Commission.

The Energy Commission's webpage for this facility, http://www.energy.ca.gov/sitingcases/henrietta/, has a link to the petition and the Staff Analysis on the right side of the webpage in the box labeled "Compliance Proceeding." Click on the "Documents for this Proceeding (Docket Log)" option. After the Final Decision, the Energy Commission's Order regarding this petition will also available from the same webpage.

This notice has been mailed to the Commission's list of interested parties and property owners adjacent to the facility site. It has also been e-mailed to the facility listserv. The listserv is an automated Energy Commission e-mail system by which information about this facility is e-mailed to parties who have subscribed. To subscribe, go to the Commission's webpage for this facility, cited above, scroll down the right side of the project's webpage to the box labeled "Subscribe," and provide the requested contact information.

Any person may comment on this Staff Analysis. Agencies and members of the public who wish to provide comments on the extension petition are asked to submit their comments by November 10, 2014. To use the Energy Commission's electronic commenting feature, go to the Energy Commission's webpage for this facility, cited above, click on the "Submit e-Comment" link, and follow the instructions in the on-line form. Be sure to include the facility name in your comments. Once submitted, the Energy Commission Dockets Unit reviews and approves your comments, and you will receive an e-mail with a link to them.

Written comments may also be mailed or hand-delivered to:

California Energy Commission
Dockets Unit, MS-4
Docket No. 01-AFC-18C
1516 Ninth Street
Sacramento, CA 95814-5512

All comments and materials filed with and approved by the Dockets Unit will be added to the Henrietta Docket Log and become publicly accessible on the Energy Commission's webpage for the facility.

If you have any questions, please contact Mary Dyas, Compliance Project Manager, at (916) 651-8891, or by fax to (916) 654-3882, or via e-mail at: mary.dyas@energy.ca.gov.

For information on participating in the Energy Commission's review of the petition, please call the Public Adviser at (800) 822-6228 (toll-free in California) or send your e-mail to publicadviser@energy.ca.gov.

News media inquiries should be directed to the Energy Commission Media Office at (916) 654-4989, or by e-mail at mediaoffice@energy.state.ca.us.

Mail List: 7128
List Serve: Henrietta

HENRIETTA PEAKER PROJECT (01-AFC-18C)
Petition to Amend Commission Decision
EXECUTIVE SUMMARY
Mary Dyas

INTRODUCTION

On March 24, 2014, GWF Energy, L.L.C. (GWF), filed a petition with the California Energy Commission (Energy Commission) requesting the revocation of the Amended Final Decision for the GWF Henrietta Combined-Cycle Power Plant (GWF Henrietta) and the reinstatement of the original 2002 certification to operate as the simple-cycle Henrietta Peaker Plant (HPP). Staff has completed its review of all materials received.

The HPP was originally certified by the Energy Commission as a simple-cycle, natural gas-fired, 95-megawatt (MW) facility in its Decision on March 5, 2002 (Original 2002 Certification). The facility began commercial operation on July 1, 2002,.

In October, 2008, the Energy Commission received a petition from GWF asking to convert the simple-cycle HPP to the combined-cycle, 120-MW GWF Henrietta by adding two once-through steam generators to recover heat from the exhaust of the existing turbines and produce steam to power a new 25-MW steam turbine generator. The Commission approved the petition on March 24, 2010 (2010 Amended Certification). Due to changing market conditions, the demand for additional combined-cycle generation did not materialize, so GWF did not move forward with the conversion.

The purpose of the Energy Commission's review process is to assess any impacts the proposed modifications would have on environmental quality and on public health and safety. The process includes an evaluation of the consistency of the proposed changes with the Energy Commission's Final Decision (Decision), and a determination on whether the project, as modified, would remain in compliance with applicable laws, ordinances, regulations, and standards (20 Cal. Code of Regs., § 1769).

The attached Staff Analysis contains the Energy Commission staff's evaluation of the affected technical area of Air Quality.

PROJECT DESCRIPTION AND LOCATION

The Henrietta Peaker Plant (HPP) was originally certified by the Energy Commission as a simple-cycle, electricity-generating, 95-MW facility in its Decision on March 5, 2002 (Original 2002 Certification). The facility began commercial operation as a simple-cycle generator on July 1, 2002, and is located approximately one mile south of Highway 198 on 25th Avenue, southeast of the City of Lemoore in Kings County.
GWF continues to operate the facility in simple-cycle mode in compliance with its Original 2002 Certification.

DESCRIPTION OF PROPOSED MODIFICATIONS

GWF has now determined that it intends to continue operating the project in simple-cycle mode for the foreseeable future. Therefore, GWF is requesting that the Energy Commission revoke the 2010 Amended Certification and reinstate the Original 2002 Certification.

NECESSITY FOR THE PROPOSED MODIFICATIONS

Since the expected demand for additional combined-cycle generation did not materialize and to avoid any confusion regarding the applicable certification and conditions of certification, GWF is requesting that the Energy Commission revoke the Amended 2010 Certification and reinstate the Original 2002 Certification.

The proposed certification revocation would allow GWF to continue operating the HPP in compliance with the Original 2002 Certification, as it has since the project came on line in 2002.

STAFF'S ASSESSMENT OF THE PROPOSED PROJECT CHANGES

A summary of staff's conclusions reached in each technical area are summarized in **Executive Summary Table 1**.

Executive Summary Table 1
Summary of Impacts to Each Technical Area

TECHNICAL AREAS REVIEWED	STAFF RESPONSE			
	Technical Area Not Affected	No Significant Environmental Impact*	Process As Amendment	New Conditions of Certification Recommended
Air Quality		X		
Biological Resources	X			
Cultural Resources	X			
Geological Hazards & Resources	X			
Hazardous Materials Management	X			
Facility Design	X			
Land Use	X			
Noise and Vibration	X			
Paleontological Resources	X			
Public Health		X		
Socioeconomics	X			
Soil and Water Resources	X			
Traffic and Transportation	X			
Transmission Line Safety & Nuisance		X		
Transmission System Engineering	X			
Visual Resources	X			
Waste Management	X			
Worker Safety and Fire Protection	X			

*There is no possibility that the modifications may have a significant effect on the environment and the modification will not result in a change or deletion of a condition adopted by the commission in the final decision or make changes that would cause the project not to comply with any applicable laws, ordinances, regulations, or standards (20 Cal. Code Regs., § 1769 (a)(2)).

Energy Commission technical staff reviewed the petition to amend for potential environmental effects and consistency with applicable laws, ordinances, regulations and standards (LORS). Staff has determined that the technical or environmental areas of Biological Resources, Cultural Resources, Facility Design, Geological Hazards & Resources, Hazardous Materials Management, Land Use, Noise and Vibration, Paleontological Resources, Socioeconomics, Soil & Water Resources, Traffic & Transportation, Visual Resources, Waste Management and Worker Safety & Fire Protection are not affected by the proposed changes, and no revisions or new conditions of certification are needed to ensure the project remains in compliance with all applicable LORS.

Staff determined that the technical area of Air Quality would not be affected by the proposed revocation of the 2010 Amended Certification and reinstatement of the Original 2002 Certification and that the project would continue to comply with all laws, ordinances, regulations, and standards.

In the technical area of Public Health, staff finds that project-related impacts of the considered pollutants were insignificant.

In the technical area of Transmission Line Safety and Nuisance (TLSN), staff notes that the same five TLSN conditions of certification would apply whether facility operated as simple-cycle or combined-cycle.

STAFF RECOMMENDATIONS AND CONCLUSIONS

Staff concludes that the following required findings mandated by Title 20, section 1769(a)(3) of the California Code of Regulations can be made and will recommend approval of the petition to the Energy Commission:

A. The proposed modification(s) would not change the findings in the Energy Commission's Decision pursuant to Title 20, California Code of Regulations, section 1755;

B. There would be no new or additional, unmitigated significant environmental impacts associated with the proposed modifications;

C. The facility would remain in compliance with all applicable laws, ordinances, regulations, and standards;

D. The modifications proposed in the petition would allow GWF to continue to operate as a simple-cycle facility under its Original 2002 Certification.

E. The modifications would be beneficial to the project owner because the changing market conditions made the conversion to combined-cycle infeasible. GWF did not move forward with the conversion and determined that continued operation of the project in simple-cycle mode for the foreseeable future was the best course of action.

F. The proposed modifications are justified because there has been a substantial change in circumstances since the Energy Commission certification. Due to changing market conditions, the demand for additional combined-cycle generation did not materialize, so GWF did not move forward with the conversion.

HENRIETTA PEAKER PROJECT (01-AFC-18C)
Petition to Amend Commission Decision
AIR QUALITY ANALYSIS
Joseph Hughes

INTRODUCTION

On March 5, 2002, the California Energy Commission (Energy Commission) approved the Henrietta Peaker Project (HPP) (CEC 2002), a 95-megawatt (MW), natural-gas fired, simple-cycle peaking facility near the City of Lemoore, California. HPP consists of two General Electric LM6000 PC Sprint combustion turbine generators. On March 24, 2010, the Energy Commission approved GWF Energy L.L.C.'s (GWF) request to modify the existing HPP power plant by converting the facility to a combined-cycle power plant (GWF Henrietta) with a nominal 25-MW (net) of additional generating capacity (CEC 2010). The project would have retained the capability to operate in a simple-cycle configuration. However, these changes were never implemented, and the facility continues to operate in the simple-cycle mode.

On March 24, 2014 GWF submitted a petition requesting that the Energy Commission revoke the amended certification (2010 Amended Certification) that allowed combined-cycle configuration and reinstate the original certification for the HPP (Original 2002 Certification).

LAWS, ORDINANCES, REGULATIONS, AND STANDARDS (LORS)

The conditions of certification contained in the Energy Commission's Final Decision (Final Decision) for the HPP (CEC 2002) and subsequent Commission Orders approving project modifications (CEC 2003 and CEC 2004) ensure that the facility would remain in compliance with all laws, ordinances, regulations, and standards (LORS) as long as the facility remains in compliance with its certification.

In addition, the facility's current San Joaquin Valley Air Pollution Control District (SJVAPCD) Permits to Operate (PTOs) also ensure compliance with all LORS and Best Available Control Technology (BACT) requirements (SJVAPCD 2011), and these are renewed every five years to ensure ongoing compliance with new or modified requirements. The current PTOs for the HPP pertain only to the simple-cycle peaking facility and do not allow combined-cycle operation. These PTOs are valid through June 30, 2016, at which time they will be renewed, as long as the facility complies with all permit conditions and applicable LORS.

The SJVAPCD previously issued Authority to Construct (ATC) permits to allow modification of the HPP to convert the facility to a combined-cycle power plant with a nominal 25 MW (net) of additional generating capacity. However, because GWF never completed construction of the combined-cycle facility, or made modifications to equipment to allow combined-cycle operation, those ATC permits were never converted to PTOs; therefore, the peaking facility's PTOs (SJVAPCD 2011) remain in effect.

ANALYSIS

The March 24, 2014 request to revoke the amended certification that allowed combined-cycle generation (CEC 2010) and to reinstate the original certification for the HPP (CEC 2002) does not require any equipment modifications and would not change any emission limits as they apply to the HPP. The Final Decision for the HPP (CEC 2002), and subsequent Commission Orders approving project modifications (CEC 2003 and CEC 2004), along with the current SJVAPCD PTOs, ensure that the project complies with all LORS and BACT requirements as a peaking facility.

CONCLUSION

Staff is recommending approval of the revocation of the amended certification that allowed combined-cycle generation and reinstating the original 2002 simple-cycle peaking facility certification that pertained to the HPP (CEC 2002) and subsequent orders approving project modifications (CEC 2003 and CEC 2004). The project would continue to comply with all laws, ordinances, regulations, and standards.

REFERENCES

CEC 2002—California Energy Commission. Final Commission Decision, Henrietta Peaker Project. March, 2002.

CEC 2003—California Energy Commission. Commission Order Approving Project Modification (Order No. 03-0723-08), Henrietta Peaker Project. July, 2003.

CEC 2004—California Energy Commission. Commission Order Approving Petition to Amend Air Quality Conditions of Certification (Order No. 04-0121-05), Henrietta Peaker Project. January, 2004.

CEC 2010—California Energy Commission. Final Commission Decision, Henrietta Combined-Cycle Power Plant. March, 2010.

GWF 2014—GWF Energy Center, LLC. Motion Requesting Revocation of 2010 Amended License. March, 2014.

SJVAPCD 2011—San Joaquin Valley Air Pollution Control District. Permit to Operate (Permit Nos. C-3929-0-1, C-3929-1-4, C-3929-2-4, C-3929-4-2). August 11, 2011.