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FIGURE

Figure 7.1-1 Glenn-Colusa Irrigation District Will-Serve Letter

7.0 WATER SUPPLY

7.1 WATER SOURCE

As described in Section 3.4.6, project water requirements for process makeup water will be a maximum daily of 132 gallons per minute (gpm) and an average annual of 126 acre-feet per year. In addition, average daily use of construction water is estimated to be about 8,000 gallons.

For operations, the project will use an air cooled condenser as the ultimate heat sink and will employ a zero liquid discharge system that will allow water to be recycled through the plant. The combination of these technologies will minimize the required consumptive use of water for plant operation to the absolute minimum technically possible. No water is being used for the plant heat sink systems. Usage is restricted to water for demineralization for the steam cycle, for combustion turbine inlet air evaporative cooling, fire water, service water, and potable water for eyewash stations, drinking, showers, and sanitation.

The nearest developed water supply system is in Maxwell, approximately 5 miles southeast of the site. However, use of this system was determined to be infeasible due to distance and limited capacity. The use of reclaimed water from the Williams City Wastewater Treatment Plant was also determined to be infeasible due to uncertain quantity and availability of reclaimed water, as well as distance. The plant is located approximately 15 miles south of the site. The plant is capable of treating approximately 300,000 gallons per day (208 gpm) of wastewater, but the amount of wastewater treated and the amount of reclaimed water that would be available is uncertain and is expected to be highly variable.

Groundwater availability in the vicinity of the plant site may not be as reliable as available surface water sources. Three test wells were drilled on site and tested. The test program, detailed in Appendix O and summarized in Section 8.14.1.1, suggested that a potential yield of about 200 gpm might be available from one onsite location. However, a sustained safe yield for year-round use has not been confirmed at this time. Because of the uncertainty about whether a reliable source of sufficient groundwater is available to meet the proposed project's water supply needs, use of onsite groundwater as the sole or primary water supply source was determined to be less reliable than a surface water source.

The project site is situated between the Glenn-Colusa Canal and the Tehama-Colusa Canal. The proposed project's water requirements of approximately 126 acre-feet per year (approximately 0.2 cubic feet per second (cfs)) would be a small proportion of the water flowing through these systems.

The project will install an intake at the Tehama-Colusa Canal instead of the Glenn-Colusa Canal. This was based on both physical and biological resource factors. Physically, the site will be located at an elevation of 183 feet. The water level in the Tehama-Colusa Canal in the vicinity of the project is at about elevation 205 feet and is generally maintained at this level with very little fluctuation throughout the year. The water level in the Glenn-Colusa Canal is at an elevation substantially lower than the site and would require a pump station to convey the water to the plant.

Several additional factors were considered when comparing the Tehama-Colusa Canal and the Glenn-Colusa Canal. First, potentially sensitive biological resources are located directly west of the Glenn-Colusa Canal, where the new raw water pipeline would need to be constructed. Conversely, potentially sensitive habitat located near the Tehama-Colusa Canal (i.e., alkali grassland) is more easily avoided, and therefore, would not be affected by the water line. Furthermore, the Tehama-Colusa Canal does not feed directly into the Sacramento River and is concrete-lined, and therefore, does not provide potential habitat for sensitive species. Thus, the benefits of using the Tehama-Colusa Canal versus the Glenn-Colusa Canal as a water supply source for the project's limited water needs include minimizing impacts to potentially sensitive biological resources and avoidance of disturbance to a canal (i.e., the Glenn-Colusa Canal) that feeds directly into the Sacramento River.

The Tehama-Colusa Canal Authority operates and maintains the Tehama-Colusa Canal, which is owned by the U.S. Bureau of Reclamation (USBR). Water for the Tehama-Colusa Canal comes from the Sacramento River at the Red Bluff Diversion Dam. This water serves 14 water districts. The canal is approximately 111 miles long, starting at the Red Bluff Diversion Dam, passing through Tehama, Glenn, and Colusa counties, and into Yolo County, and terminating about 2 miles south of Dunnigan, California. At the start of the canal, its capacity is 2,530 cfs; at the end, it is 1,700 cfs.

The Glenn-Colusa Irrigation District (GCID) owns, operates and maintains the 65-mile-long Glenn-Colusa Canal and provides water to various users. Water for the Glenn-Colusa Canal comes primarily from the Sacramento River at Hamilton City and is supplemented from Stony Creek in Glenn County several miles north of the site and from groundwater. GCID diverts a maximum of 3,000 cfs from the Sacramento River. GCID has senior water rights compared with the USBR. Existing water allocations to the GCID come from two sources: (1) GCID's Senior Water Rights (pre-1914), and (2) Central Valley Project water, which is provided under contract by the USBR. GCID is entitled to divert a minimum of 720,000 acre-feet of natural flows from the Sacramento River and Stony Creek and to purchase 105,000 acre-feet of CVP water for a total of 825,000 acre-feet per year. In addition, GCID supplements its water supply by conjunctive use of groundwater. As reported in the Colusa County General Plan, an estimated 462,600 acre-feet of water was transported and delivered to Colusa County via the Glenn-Colusa Canal. Due to GCID's senior water rights in California, GCID's allocation is limited to a maximum curtailment of 25 percent; however, the water supply agreement between GCID and the project would have no curtailment.

Numerous water districts along the Tehama-Colusa Canal receive water from the U.S. Bureau of Reclamation. Unlike the GCID's allocations, water allocations to these water districts supplied by the USBR are subject to unlimited curtailment. Based on these considerations, a water supply provided by the GCID was determined to best meet the needs of the proposed project.

The GCID has an existing wheeling agreement with the Tehama-Colusa Canal Authority. Contractually, GCID will provide water to the plant through a transfer agreement with Colusa County, which will then deliver the water to the plant vicinity via the Tehama-Colusa Canal.

The will-serve letter from GCID is provided as Figure 7.1-1. The agreement with the GCID includes the following general terms:

1. Bureau of Reclamation approval of the transfer of a maximum annual supply of 126 acre-feet per year.

2. Approval of the project by the California Energy Commission.

3. Approval by the Colusa County Board of Supervisors, if necessary.

4. The completion of the appropriate CEQA and/or NEPA documentation by the appropriate lead agencies, if necessary.

5. The completion of any required consultations under the state and federal Endangered Species Acts.

6. Mutually acceptable commercial terms for ensuring delivery of a water supply to the project, between GCID and E&L Westcoast, LLC.

7.2 WATER CONVEYANCE

The project will install a new intake at the Tehama-Colusa Canal and a new 2,700-foot-long buried pipeline to convey the water from the canal to the generating facility. The new intake will consist of a single 6-inch-diameter pipe, laid down the slope of the canal embankment, and a submersible pump placed into the canal. The intake pipe will be anchored on the embankment, and the required electrical control enclosure will be placed on a small concrete pad at the top of the canal embankment. This area will be surrounded by a chain link fence for safety. The intake will have a screen to reduce the intake of debris into the pump. No sensitive fish species are present in the canal, and therefore, fish entrainment protection is not required. The intake will be designed and constructed in accordance with USBR and Tehama-Colusa Canal Authority requirements.

From the canal, the water will be conveyed to the site via an underground 2,700-foot-long 4-inch pipe, which will terminate at the CGS facility's raw water/firewater storage tank. The water intake and pipeline location are shown on Figure 3.3-1.

7.3 WATER PIPELINE AND INTAKE STRUCTURE CONSTRUCTION

The new pipeline will be installed using a chain style trenching machine, which will be done as a single cut, install, and cover technique which will minimize ground disturbance. The pipeline construction right-of-way will be 8 to 10 feet wide, 30 inches deep, and 2,700 feet long. Topsoil will be removed and piled temporarily along the excavation trench while the pipe is installed. The pipe will be made of high-density polyethylene (HDPE), which will be delivered to the site in continuous rolls, fused at splices as required, and laid in the trench. To the extent possible, excavation spoils will be used for backfill. Where trenching spoils are not suitable, imported backfill will be used. The trenching machine will provide the recovering of the trench during the same operation as cutting the trench, so impact time and impact area are minimized. Following removal of any excess spoils, the construction area will be reseeded.

The new intake will be an over-the-bank type system that requires minimal disturbance to the canal embankment, and will consist of a screened perforated pipe. The intake pipe will be laid down on the slope of the canal embankment and will lead to a submersible pump. The intake pipe will be anchored on the embankment, and a short section of the intake pipe will be buried under the maintenance road within the canal.

7.4 LAWS, ORDINANCES, REGULATIONS, AND STANDARDS

A description of the LORS that pertain to the construction and generation of the water supply pipeline is included in Sections 8.14.5 through 8.14.7.

GLENN-COLUSA IRRIGATION DISTRICT

DIRECTORS
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Sandy Willard Denn
DIVISION 2
John P. Sutton
DIVISION 3
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GENERAL MANAGER

COUNSEL
Somach, Simmons & Dunn

October 16, 2006

E & L Westcoast, LLC
c/o Andrew C. Welch, P.E.
Vice President
Competitive Power Ventures, Inc.
8403 Colesville Road, Suite 915
Silver Springs, Maryland 20910

Re: Will Serve Letter – Colusa Generating Plant

Dear Mr. Welch:

This letter is to advise you that the Glenn-Colusa Irrigation District ("GCID") is willing to provide water service to the proposed Colusa Generating Station located in Colusa County, California. GCID's willingness to provide the water service is subject to meeting the conditions listed within this letter.

Based on information presented by your staff and counsel, the Colusa Generating Station will require a maximum annual supply of 400 acre-feet ("AF") of water per year. GCID believes the most feasible way to serve the project would be to have GCID transfer 400 AF to the County of Colusa for 30 years. The County of Colusa would, in turn, deliver that water to E & L Westcoast's power plant over a 12-month period for 30 years. Please note that any facilities required to be constructed in GCID's main canal must meet GCID's approval.

As noted above, this will serve letter is subject to the following conditions:

1. Approval of the water transfer by the U.S. Bureau of Reclamation and/or Colusa and/or Glenn County, if necessary.

2. Approval of the Colusa Generating Station by the California Energy Commission.

Post Office Box 150 ■ 344 East Laurel Street ■ Willows, California 95988 ■ Telephone: 530.934.8881 ■ Fax: 530.934.3287

GLENN-COLUSA IRRIGATION DISTRICT WILL-SERVE LETTER (PAGE 1 OF 2)

Colusa Generating Station
28067004 E&L Westcoast, LLC
November 2006 Colusa County, California

URS

FIGURE 7.1-1

3. Approval of the Colusa Generating Station by the Colusa and/or Glenn County Board of Supervisors, if necessary.

4. Completion of the appropriate CEQA and or NEPA documentation by the appropriate lead agencies, if necessary.

5. Completion of any required consultations under the state and federal Endangered Species Acts.

6. Agreement by GCID and E & L Westcoast to mutually acceptable terms for ensuring delivery of the water supply to the project.

Finally, we understand that the Colusa Generating Station may ultimately be owned by another entity, such as PG&E. GCID is willing to continue water service to subsequent owners of the Colusa Generating Station so long as the conditions set forth herein are adhered to and the new ownership entity agrees to abide by the terms and conditions of any water service agreement(s) entered into by GCID and E & L Westcoast. GCID looks forward to working with E & L Westcoast and bringing this project to fruition in Colusa County.

Sincerely,

Thaddeus L. Bettner, P.E.
General Manager

cc: Board of Directors
Andrew M. Hitchings
Scott A. Morris

GLENN-COLUSA IRRIGATION DISTRICT
WILL-SERVE LETTER (PAGE 2 OF 2)

28067004
November 2006

Colusa Generating Station
E&L Westcoast, LLC
Colusa County, California

URS

FIGURE 7.1-1