

STATE OF CALIFORNIA

CALIFORNIA ENERGY RESOURCES AND DEVELOPMENT COMMISSION

DOCKET
06-AFC-6

DATE Dec 21 2006

RECD. Dec 22 2006

In the Matter of:)
)
Application for Certification for the)
Eastshore Power Plant Project)
_____)

Docket No. 06-AFC-6

**NOTICE OF NEED FOR ADDITIONAL TIME TO PREPARE RESPONSES AND
OBJECTION TO CALIFORNIA ENERGY COMMISSION STAFF DATA REQUESTS
17, 39 AND 44**

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Dated: December 21, 2006

STATE OF CALIFORNIA

ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION

In the Matter of:)	Docket No.: 06-AFC-6
)	NOTICE OF NEED FOR ADDITIONAL
Application for Certification for the)	TIME TO PREPARE TO PREPARE
Eastshore Power Plant Project)	RESPONSES AND OBJECTION TO
)	CALIFORNIA ENERGY
)	COMMISSION STAFF DATA
)	REQUESTS 17, 39 AND 44

Eastshore Energy, LLC ("Eastshore") received from the California Energy Commission ("Commission") Staff data requests 1 through 49 on December 15, 2006. Eastshore is working diligently to respond to as many of these requests as quickly as possible. Eastshore is providing this notification pursuant to Title 20, California Code of Regulations (CCR), Section 1716(f). Of the three requests listed above, requests 17 and 44 may not be provided within the time frame requested, and request 39 seeks information that is irrelevant and inapplicable to the Eastshore Power Plant Project ("Project" or "Eastshore Project").

I. EASTSHORE REQUESTS ADDITIONAL TIME TO RESPOND TO COMMISSION STAFF REQUESTS 17 AND 44

Data request 17 asks Eastshore to prepare a cumulative analysis that incorporates the licensed, or amended Russell City Energy Center project. Eastshore requests until January 31, 2007 to respond to this request. The additional time is necessary to conduct the modeling for the cumulative analysis. Eastshore will need to obtain information regarding the emissions of the Russell City project along with other sources and then complete the modeling of these projects. Eastshore is concerned that the modeling may not be completed by January 15, 2007, especially

considering that the holiday season limits the number of working days that can be devoted to this request.

Data request 44 asks if the height of the project's exhaust stack(s) is increased as a result of the implementation of United States Environmental Protection Agency (EPA) revised air quality standards for PM2.5 or PM10, to provide a new color-full page photo-simulation of the project from KOP 1. Eastshore requests until January 31, 2007 to respond to this request. Eastshore is evaluating the project impacts in light of EPA's revised air quality standards to determine whether the stack heights need to be adjusted. If a new simulation is required, then Eastshore will need until January 31, 2007 to respond.

II. EASTSHORE OBJECTS TO COMMISSION STAFF REQUEST 39 AS IRRELEVANT AND INAPPLICABLE

California Code of Regulations, Title 20, Section 1716 allows a party to request information that is relevant and reasonably necessary to make a decision on the application. Data request 39 asks Eastshore to provide the rationale and economic justification for not using an alternative non-potable water source consistent with the State Water Resources Control Board (SWRCB) Resolution 75-58 ("Resolution 75-58" or "Resolution"). Eastshore objects to this request because it is irrelevant and inapplicable to the Project. Eastshore will provide a response to this request within the 30 day time period, pursuant to 20 CCR § 1716(f), but the response will not include an economic justification as described in Resolution 75-58.

Resolution 75-58 adopted the "Water Quality Control Policy on the Use and Disposal of Inland Waters Used for Powerplant Cooling," which provides statewide water quality principles regarding powerplants that depend upon inland waters for cooling. Eastshore objects to staff data request 39 as inapplicable because Resolution 75-58 only applies to steam cycle "powerplants." Resolution 75-58 defines "Steam-Electric Power Generating Facilities" as

"electric power generating facilities utilizing fossil or nuclear-type fuel or solar heating in conjunction with a thermal cycle employing the steam-water system as the thermodynamic medium and for the purposes of this policy is synonymous with the word 'powerplant'."

Therefore, any use of the word "powerplant" in Resolution 75-58 applies to steam-electric or steam-cycle power generating facilities. The Eastshore Project will employ reciprocating engines without employing a steam-cycle or steam turbine and thus, will not be a steam-cycle power generating facility.

The reciprocating engine technology to be used at the Eastshore Project will be cooled by closed-loop cooling water systems, which require almost no make-up water while operating. The closed-loop cooling water systems, one for each reciprocating engine, will include among other items three fan-cooled radiator assemblies (aka fin-fan coolers) for each engine, all of which are located outside of the main engine building. These radiators do not cool water by evaporation as does a conventional cooling tower; rather, each radiator's electric fans force ambient air over tube bundles to cool the water in the bundles that was heated by the engines. Water cooled by these radiators flows to various reciprocating engine heat generating sources. Water discharged from these engine heat sources is then directed back to either the radiators for cooling, and/or through a three-way thermostatic valve for return to the various sources.

Because Resolution 75-58 specifically states that the word "powerplant" is used to mean a "steam-electric power generating facility" and the Eastshore Project will not be a combined-cycle power plant making power from steam or water, Resolution 75-58 does not apply to the Project. In addition, this means that the requirement that the hierarchy of cooling water sources to be used by a "powerplant" established in Resolution 75-58 also does not apply to the Project.

Even if the word "powerplant" were meant to encompass a reciprocating engine facility such as Eastshore's, Resolution 75-58 provides several policy reasons why its requirements should not apply to the Project. In Basis of Policy No. 1, the Resolution seeks to "minimize adverse effects on water supply and water quality and at the same time satisfy the State's energy requirements." The minimal water used by Eastshore (primarily for personal consumptive and hygiene, and landscaping purposes) meets Policy No. 1. Basis of Policy No. 4 declares that "[t]he loss of inland waters through *evaporation* in powerplant cooling facilities may be considered an unreasonable use of inland waters when general shortages occur." (Emphasis added.) No evaporative cooling, such as occurs with cooling towers, will occur at Eastshore. The Resolution places an emphasis on the reasonableness of the use of inland waters. As discussed below, the Eastshore Project will make minimal use of water.

The Eastshore Project will employ a method that uses an insignificant amount of water for normal plant operations. As stated above, the closed-loop cooling system will require almost no make-up water while operating. This water use is very different from a cooling tower used to reduce the temperature of water employed in a steam-water system as the thermodynamic medium. The Eastshore Project is expected to have an annual potable water consumption rate of a mere 1.61 acre-feet per year.

Because the Eastshore Project does not employ a steam turbine and does not use steam-water as a thermodynamic medium, and further because it does not use a conventional cooling tower, it uses an insignificant amount of water. Even though Resolution 75-58 does not apply to the Eastshore Project, the Project meets the basic policy objectives behind Resolution 75-58 because its use of inland waters will be reasonable, primarily for personal and landscaping purposes, and minimal.

For these reasons, Eastshore objects to Commission Staff request 39 that Eastshore provide the rationale and economic justification for not using an alternative non-potable water source consistent with Resolution 75-58 as irrelevant and inapplicable.

Respectfully,



Nicolaas W. Pullin
Downey, Brand LLP
Attorneys for Eastshore Energy, LLC

CERTIFICATE OF SERVICE

I, Lois Navarrot, declare that on December 22, 2006, I sent copies of the attached NOTICE OF NEED FOR ADDITIONAL TIME TO PREPARE RESPONSES AND OBJECTION TO CALIFORNIA ENERGY COMMISSION STAFF DATA REQUESTS 17, 39 AND 44 in the United States mail at Sacramento, California with first-class postage thereon fully prepaid and addressed to those identified on the Proof of Service list below

OR

Transmission via electronic mail was consistent with the requirements of California Code of Regulations, Title 20, Sections 1209, 1209.5, and 1210. All electronic copies were sent to all those identified on the Proof of Service list below.

I declare under penalty of perjury that the foregoing is true and correct.



Lois Navarrot

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December 22, 2006

VIA E-MAIL DOCKET@ENERGY.STATE.CA.US AND U.S. MAIL

California Energy Commission
Attn: Docket No. 06-AFC-6
1516 Ninth Street, MS-4
Sacramento, CA 9 5814-5512

Re: Eastshore Power Plant Project, 06-AFC-6

Dear Docket Clerk:

Enclosed please find an original NOTICE OF NEED FOR ADDITIONAL TIME TO PREPARE RESPONSES AND OBJECTION TO CALIFORNIA ENERGY COMMISSION STAFF DATA REQUESTS 17, 39 AND 44 a copy of which was e-mailed to your office on December 22, 2006, as well as an additional copy, to be endorsed and returned in the provided envelope. If you have any questions, please don't hesitate to contact me.

Very truly yours,

DOWNEY BRAND LLP



Nicolaas W. Pullin

NWP:ln

Attachment