



December 29, 2000

TO: AGENCY DISTRIBUTION LIST

**REQUEST FOR AGENCY PARTICIPATION IN THE REVIEW OF THE EL SEGUNDO POWER REDEVELOPMENT PROJECT, APPLICATION FOR CERTIFICATION (00-AFC-14)**

In light of the acute electric system problems facing the State, several bills have been signed by the Governor that will improve the efficiency of the California Energy Commission's review of power plant applications. Senate Bill 1388 amends Section 25519 of the Public Resources Code requiring local and State agencies to provide their comments and recommendations within 180 days of the filing date of the Application for Certification. As part of our review process, the staff of the Energy Commission works closely with local, State and federal agencies to ensure that all law, ordinances, regulations and standards are met and incorporated into the final decision of the Commission. To ensure that this occurs in a timely manner, we request your cooperation in meeting the requirements of this new law by completing your review and issuing any formal notices, findings, opinions (such as those contained in a final Determination of Compliance, wastewater water discharge requirements, biological opinions, and land use decisions) within the 180 day requirement. Although this law does not oblige federal agencies to meet this requirement, we request that you consider the spirit of the law and make every effort to assist us in this matter.

**Project Description**

On December 21, 2000, EL Segundo Power II LLC (ESP II) filed the enclosed Application for Certification (AFC) seeking approval from the California Energy Commission (Energy Commission) to replace the existing El Segundo Generating Station (ESGS) Units 1 and 2 in the City of El Segundo with a natural gas-fired, combined cycle electric generation facility. The existing ESGS Units 3 and 4 located adjacent to Units 1 and 2 will not be modified by this project. The new combined cycle facility is expected to generate 630 megawatts (MW) under nominal conditions. This is 280 MW more than the old Units 1 and 2 were capable of generating when operating.

The project will use Selective Catalytic Reduction (SCR), a dry, low Nox combustor and an oxidation catalyst system to reduce air emissions. The project will not require new off-site transmission lines or natural gas pipelines. The new units will use the existing seawater cooling system without modifying the intake or outfall structures and lines, and without modifying the flow rates and capacity. New pipelines include two water supply lines occupying a single trench in El Segundo city streets and a sanitary discharge pipeline within Manhattan Beach City streets. An ammonia pipeline will be installed in the directly adjacent Chevron marine terminal property to deliver ammonia to the site for SCR.

## **Energy Commission's Facility Certification Process**

The Energy Commission is responsible for reviewing and ultimately approving or denying all thermal electric power plants, 50 MW and greater, proposed for construction in California. The Energy Commission's facility certification process carefully examines public health and safety, environmental impacts and engineering aspects of proposed power plants and all related facilities such as electric transmission lines, natural gas pipelines, etc. The Energy Commission is the lead agency under the California Environmental Quality Act (CEQA).

The first step in the review process is for Energy Commission staff to determine whether or not the AFC contains all the information required by our regulations. During this data adequacy phase, we request that you review the sections of interest to your agency and determine whether the major issues of concern to your agency have been identified. At this time, we are only concerned that such issues are disclosed, not necessarily that they be discussed in detail.

When the AFC is deemed data adequate, we will begin data discovery and the analysis phases. These usually occur during the first 120 days after the AFC is deemed adequate. During this time, a detailed examination of the issues will occur, and there will be opportunities for Energy Commission staff and your staff to require the applicant to provide any additional information deemed necessary for proper analysis and resolution of the issues.

Over the next twelve months, the Energy Commission will conduct a number of public workshops and hearings on the proposal to determine whether the project should be approved for construction and operation and under what set of conditions. These workshops will provide the public as well as local, State and federal agencies the opportunity to ask questions about, and provide input on, the proposed project. The Energy Commission will issue notices for these workshops and hearings, normally 14 days, but in no case later than 10 days, prior to the meeting.

### **Agency Participation**

We request that you provide any written comments you may have regarding the disclosure of potential issues of concern by January 19, 2001. Please provide your comments to Paul Richins, the Energy Commission's Project Manager. Your agency may also present its comments and recommendations in person at the Energy Commission's February 7, 2001 business meeting. The limited purpose of that meeting will be to determine whether the AFC is data adequate in accordance with our regulations and will not be a discussion of the potential issues.

If the AFC is accepted as data adequate, your participation in the proceeding is encouraged and will consist of identifying and resolving issues of concern to your

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agency. There may be specific requests for agency review and comment during the proceeding. We look forward to working with your staff on the various issues of interest to your agency and remind you that it will be exceedingly helpful if any formal opinions, recommendations, legal requirements, and findings of your agency are completed within 180 days.

Local agencies may seek reimbursement for costs incurred in responding to these requests. If you have questions or would like additional information on reimbursement or on how to participate in the Energy Commission's review of the project, please contact Paul Richins, Siting Project Manager, at (916) 654-4074. The status of the project, copies of notices and other relevant documents are also available via the Energy Commission's web site at: <http://www.energy.ca.gov/sitingcases/elsegundo>.

Sincerely,

ROBERT L. THERKELSEN, Deputy Director  
Energy Facilities Siting and  
Environmental Protection

Enclosure