STATE OF CALIFORNIA – NATURAL RESOURCES AGENCY

EDMUND G. BROWN, Jr., *Governor*

CALIFORNIA ENERGY COMMISSION
1516 NINTH STREET
SACRAMENTO, CA 95814-5512
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California Energy Commission
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October 15, 2012

The Honorable John M. W. Moorlach
Chairman of the Orange County Board of Supervisors
10 Civic Center Plaza
Santa Ana, CA 92701

Dear Mr. Moorlach:

On June 27, 2012, AES Southland, LLC, submitted an Application for Certification (AFC) to construct and operate the Huntington Beach Energy Project (HBEP). The HBEP is proposed to be developed on a 28.6-acre parcel, located in the City of Huntington Beach, California. The proposed project will be located just north of the intersection of the Pacific Coast Highway and Newland Street. The project will be located entirely within the footprint of the existing Huntington Beach Generating Station, (HBGS) an operating power plant.

The proposed HBEP will be a natural gas-fired, combined cycle, air-cooled, 939-megawatt electrical generating facility that will replace the current HBGS, and will consist of two independently operating, three-on-one, combined cycle gas turbine power blocks. The new generating units will use air-cooled condensers and will eliminate the use of ocean water for cooling, which is currently being used for the existing HBGS.

HBEP construction will require the removal of the existing HBGS Units 1, 2, and 5. Demolition of Unit 5, scheduled to occur between the fourth quarter of 2014 and the end of 2015, will provide the space for construction of HBEP Block 1. Block 1 construction is expected to take approximately 42 months, beginning the first quarter of 2015 through the second quarter of 2018. Once Block 1 is operational, the sychronous condenser on Units 3 & 4 will cease operation, and the site will be demolished to make room for Block 2. Block 2 construction is expected to take approximately 30 months, beginning the first quarter of 2018 through the second quarter of 2020. When Block 2 is ready for commissioning, AES will disconnect Units 1 and 2 and connect the new power block to the transmission grid. The last phase of the project is the demolition of Units 1 and 2 which is expected to occur from the fourth quarter of 2020 through the third quarter of 2022.

The Energy Commission accepted the AFC as complete on August 9, 2012, and staff has now begun the data discovery and analysis phase of the licensing process. Over the coming months, the Energy Commission will conduct a number of public workshops and hearings on the proposal to determine whether the HBEP should be approved for construction and operation, and if so, under what set of conditions approval should be

granted. These workshops and hearings will provide the public, local, state and federal agencies the opportunity to ask questions and provide input on the proposed project.

On September 10, 2012, the Energy Commission held an Informational Hearing and Site Visit. The Informational Hearing and Site Visit will be followed by several Data Response and Issues Resolution Workshops both in Orange County and here in Sacramento. The Energy Commission will issue notices for all workshops and hearings at least 10 days prior to each meeting.

We are available to brief you and your staff on the Energy Commission's power plant review process and the specifics of the HBEP application. If you would like to schedule a briefing, please contact Alicia Gifford, Senior Legislative Analyst at (916) 651-1467. If your staff has technical questions on the proposed project, please contact the Energy Commission's Project Manager, Felicia Miller, at (916) 654-4640 or by email at felicia.miller@energy.ca.gov. If your constituents would like to participate in the Energy Commission's review of the project, they can contact the Energy Commission's Public Adviser, Jennifer Jennings, at (916) 654-4489 or toll free in California at (800) 822-6228 or at publicadviser@energy.ca.gov.

The status of the project, copies of notices, an electronic version of the AFC, and other relevant documents are available on the Energy Commission's Internet web site at: http://www.energy.ca.gov/sitingcases/huntington_beach_energy/index.html. You can also subscribe to receive e-mail notification of notices at http://www.energy.ca.gov/listservers/index.html.

Sincerely,

Robert P. Oglesby
Executive Director

cc: Andrew McAllister, Commissioner and Presiding Member of the Huntington Beach Siting Committee
Karen Douglas, Commissioner and Associate Member of the Huntington Beach Siting Committee
Alicia Gifford, Senior Legislative Analyst
Felicia Miller, Project Manager
Jennifer Jennings, Public Adviser