

CALIFORNIA ENERGY COMMISSION

1516 NINTH STREET
SACRAMENTO, CA 95814-5512



April 6, 2001

TO: AGENCY DISTRIBUTION LIST

**SUPPLEMENTAL MATERIAL FOR THE ALLIANCE COLTON CENTURY (01-EP-4)
AND ALLIANCE COLTON DREWS (01-EP-5) EMERGENCY PERMITTING
PROPOSALS**

On March 26, we sent you the emergency permitting applications for the Alliance Colton Century (Century) and Alliance Colton Drews (Drews) projects. The Energy Commission staff has determined that the applications are now complete, and have enclosed the supplemental information for both projects. These projects are being reviewed under Public Resources Code section 25705, which grants the Energy Commission emergency permitting authority, and Executive Orders D-26-01 and D-28-01. **In Executive Order D-26-01, issued February 8, the Governor ordered the Energy Commission and other relevant state and local agencies to expedite review of proposed thermal power plants for construction and operation on an emergency basis by July 31, 2001. Executive Order D-28-01, issued on March 7, 2001, extended this deadline to September 30.** Staff expects the Energy Commission to make a final decision on this project within three weeks of the application being found to be complete. **The Commission requests that you send any comments, concerns, or proposed conditions of certification identified by your agency within 10 days of the application being found to be complete.** The complete application is available at www.energy.ca.gov/sitingcases/peakers. Comments should be sent to Kevin Kennedy, the Energy Commission project manager for Century and Drews, by e-mail at kkennedy@energy.state.ca.us. We request that comments be sent in Word 97 or Word 2000 format.

Staff has begun an expedited 'fatal-flaw' analysis of the projects. A visit to both sites and an informational hearing will be held in Colton at the City Hall on Wednesday, April 11, 2001. In order for the project, if approved, to be on line by September 30, the Commission plans to complete the expedited review of this project approximately three weeks from determining the application is complete.

The Century and Drews projects are proposed 42 MW simple cycle power plants on the Century and Drews substation sites, respectively. Both sites are in the City of Colton in San Bernardino County. Electrical interconnections for both projects will be made at the substations. Natural gas will be supplied to the project by SoCal Gas. The project will initially use dry low-NOx technology capable of limited NOx emissions to 25 ppm. Alliance will install either Selective Catalytic Reduction (SCR) emissions control or XONON combustion technology to reduce emissions to 5 ppm NOx. Water will be required only for evaporative inlet air cooling, and will be supplied by the City of Colton. No wastewater will be generated by normal operation of this facility. Wastewater from periodic turbine cleaning will be collected and removed from the site for disposal. The SCR emission control technology, if used, will require the storage and use of aqueous ammonia. If the

XONON combustion technology is used to limit air emissions, no aqueous ammonia will be used at the site. The peak construction workforce will be 20 workers and supervisors.

EMERGENCY SITING AUTHORITY

These projects are being considered outside of the Energy Commission's normal power plant siting process. Under Public Resources Code section 25705, if the legislature or the Governor declares a state of energy emergency, the Commission has emergency authority to order the construction and use of generating facilities under terms and conditions it specifies to protect the public interest. This authority can be invoked only if the Legislature or Governor declares a state of emergency and the Commission determines that all reasonable conservation, allocation, and service restriction measures may not alleviate an energy supply emergency. The Governor declared a state of emergency on January 17, 2001. On February 8 and March 7, the Governor issued several executive orders and declared that all reasonable conservation, allocation, and service restriction measures may not alleviate an energy supply emergency.

In Executive Order D-26-01, the Governor ordered the Energy Commission to expedite the processing of applications for peaking and renewable power plants that can be on line by July 31, 2001. Executive Order D-28-01 extended this deadline to September 30. The Governor also declared that these projects are emergency projects under Public Resources Code section 21080(b)(4), and are thereby exempt from the requirements of the California Environmental Quality Act (CEQA). A summary of the emergency permitting process, including the proposed schedule, and a checklist showing the information required in an application, can be found on the web at <http://www.energy.ca.gov/sitingcases/peakers/documents>.

EMERGENCY SITING PROCESS

The first step in the emergency review process is for Energy Commission staff to determine whether or not the application contains all the information listed in the application checklist. When staff determines that the application is complete, the Chairman will appoint a Commissioner to oversee the proceeding. Energy Commission staff will conduct a 'fatal-flaw' analysis of the project to determine whether the project should be approved and will develop recommended conditions of certification. The Energy Commission will hold a single public hearing in the local community five to ten days after the application is accepted as complete. This hearing 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. A notice for this hearing will be mailed, but anyone interested in attending is encouraged to check the project web site. The web site includes instructions for signing up for the project's email list-server.

AGENCY PARTICIPATION

Your participation in the proceedings is important in identifying and suggesting ways to resolve issues of concern to your agency. There may be specific requests for agency review and comment during the proceeding, though Commission staff anticipates completing its assessment of the project within approximately two weeks of determining the application is complete. If you have questions on how to participate in the Energy Commission's review of the projects, please contact Kevin Kennedy, Siting Project Manager, at (916) 651-8836, or by e-mail at kkennedy@energy.state.ca.us. The status of the projects, copies of notices and other relevant documents are also available via the Energy Commission's Internet page at www.energy.ca.gov/sitingcases/peakers.

Sincerely,

ROBERT L. THERKELSEN, Deputy Director
Systems Assessment & Facilities Siting

Enclosures