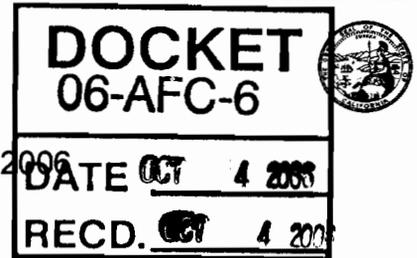


## CALIFORNIA ENERGY COMMISSION

1516 NINTH STREET  
SACRAMENTO, CA 95814-5512  
www.energy.ca.gov



October 4, 2006

TO: AGENCY DISTRIBUTION LIST

## REQUEST FOR AGENCY PARTICIPATION IN THE REVIEW OF THE EASTSHORE ENERGY CENTER, APPLICATION FOR CERTIFICATION (06-AFC-6)

On September 22, 2006, Eastshore Energy, LLC, a wholly-owned subsidiary of Tierra Energy, submitted an Application for Certification (AFC) to construct and operate a nominal 115.5 megawatt (MW) simple-cycle power plant, the Eastshore Energy Center (Eastshore), in the City of Hayward.

As part of our review process, the staff of the Energy Commission works closely with local, state and federal agencies to ensure that all laws, ordinances, regulations and standards are met and incorporated into the final decision of the Energy Commission.

### Project Description

The proposed Eastshore site is located at 25101 Clawiter Road in the City of Hayward, Alameda County, in an area zoned for industrial uses. The project site is a 6.22-acre parcel owned by Eastshore Energy. A large industrial building and asphalt pavement currently occupy the parcel. The site is currently being leased by Eastshore Energy to third parties for general warehousing, but all leases will be terminated in fall 2007, prior to the commencement of construction. Construction of the Eastshore project would include demolition of the existing building, foundation and paved surfaces. A 4.65-acre area owned by Berkeley Farms located across Clawiter Road will be leased to Eastshore Energy for temporary construction and laydown during the construction and commissioning period.

The proposed 115.5 megawatt generating facility would consist of 14 Wartsila 20V34SG natural gas-fired reciprocating engine generators and associated equipment. The Eastshore project is designed as a peaking facility to meet electric generation load during periods of high demand, which generally occur during daytime hours, and more frequently during the summer than other portions of the year. The project is expected to have an annual capacity factor of approximately 45 percent, depending on weather-related customer demand, load growth, hydroelectric supplies, generating unit retirements and replacements, the level of generating unit and transmission outages, and other factors.

Air emissions from the proposed facility would be controlled using best available control technology applied to each engine's exhaust. Each system would consist of a selective catalytic reduction unit for oxides of nitrogen (NOx) control and an oxidation catalyst unit for carbon monoxide (CO) and precursor organic compounds (POC) control. Final permitting by the Energy Commission would reflect conformance with rules and regulations of the Bay Area Air Quality Management District (BAAQMD) and include the issuance of a Determination of Compliance from BAAQMD.

The Eastshore facility would use approximately 1.6 acre-feet of potable water per year for engine cooling and other power plant processes, site landscape irrigation and potable and sanitary. A closed loop engine cooling system would reduce the requirement for water and result in consumption of approximately 1.0 gallon per minute during plant operation. The City of Hayward would supply potable water for the project through an existing connection immediately

October 4, 2006

Page 2 of 3

adjacent to the project site under a contract with the City of San Francisco's Public Utilities Department.

Sanitary wastewater would be discharged to the Hayward city sewer system via an existing onsite sewer connection. Process wastewater would be tested for potential contamination, and under normal conditions, would also be discharged to this sanitary sewer line. If the wastewater composition is determined to exceed allowable discharge limits, it would be transported off site for treatment and disposal.

The Eastshore facility would be connected to Pacific Gas & Electric's (PG&E) electrical system at the existing Eastshore Substation which is located approximately 1.1 miles south of the project site. This connection will require a new single circuit overhead 115-kiloVolt (kV) line that will run contiguously in an existing PG&E 12kV distribution corridor. The connection may also require widening the existing right of way and replacing 10 to 12 transmission poles with structures designed to accommodate both the 12kV and 115kV transmission lines.

Natural gas would be supplied to the Eastshore facility via a 200-foot pipeline connection to PG&E's Pipeline 153 that is on the opposite side of Clawiter Road from the Eastshore site.

Assuming the Eastshore facility receives a license from the Energy Commission by December 2007, construction of the project would start in early spring 2008 and continue for approximately 18 months. Plant testing and commercial operation are scheduled to begin during the latter months of 2008. Full operational capability is anticipated by May 2009.

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

The Energy Commission is responsible for reviewing and ultimately approving or denying all applications to construct and operate thermal electric power plants, 50 MW and greater, 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 and natural gas and water pipelines. The issuance of a certificate by the Energy Commission is in lieu of any local, state, or federal permit (to the extent permitted by federal law). The Energy Commission is the lead agency under the California Environmental Quality Act (CEQA), although the Commission produces several environmental and decision documents rather than an Environmental Impact Report.

The first step in the review process is for the Energy Commission to determine whether or not the AFC contains all the information required by our regulations. When the AFC is deemed data adequate, we will begin data discovery and issue analysis phases. During that time, a detailed examination of the issues will occur.

Over the coming 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 at least 10 days prior to the meeting.

October 4, 2006

Page 3 of 3

## Agency Participation

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 have been identified. At this time, we are only concerned that such issues are disclosed, not necessarily that they be discussed in detail. We request that you provide any written comments you may have regarding the disclosure of potential issues of concern by **Friday, October 20, 2006**. Please address your comments to Lorne C. Prescott, Project Manager, 1516 9<sup>th</sup> Street, MS-15, Sacramento, CA 95814. Your agency may also present its comments and recommendations in person at the Energy Commission's November 8, 2006 Business Meeting. The limited purposes of that meeting will be to determine whether the AFC is data adequate in accordance with our regulations and to assign a committee of two commissioners to oversee the proceeding.

When the AFC is accepted as data adequate, your participation in the proceeding will continue to be valuable and encouraged and will allow you to identify and try to resolve issues of concern to your agency. There may be specific requests for agency review and comment during the proceedings after the AFC has been determined to be data adequate. Local agencies may seek reimbursement for costs incurred in responding to these requests. However, comments provided in response to this request during data adequacy are not reimbursable under Energy Commission guidelines.

Assuming that the project is found to be data adequate on November 8, 2006, your agency's preliminary and final determinations and opinions (such as those contained in a Determination of Compliance, wastewater discharge requirements, biological opinions, and land use decisions) would be due by **Thursday, March 8, 2007** (120 days) and **Monday, May 7, 2007** (180 days), respectively.

Enclosed is a copy (CD) of the AFC in electronic format. If you would like to have a hard copy of the AFC sent to you, if you have questions, or if you would like additional information on reimbursement or on how to participate in the Energy Commission's review of the project, please contact Lorne C. Prescott, Project Manager, at (916) 654-4640, or by email at [lprescot@energy.state.ca.us](mailto:lprescot@energy.state.ca.us). The status of the project, copies of notices, electronic version of the AFC, and other relevant documents are also available on the Energy Commission's Internet web site at <http://www.energy.ca.gov/sitingcases/Eastshore/index.html>. You can also subscribe to receive e-mail notification of all notices at <http://www.energy.ca.gov/html/listservers.html>.

Sincerely,



Roger E. Johnson, Manager  
Energy Facilities Siting and Compliance Office

Enclosure