

**CALIFORNIA ENERGY COMMISSION**

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



**DATE:** November 1, 2018

**TO:** Interested Parties

**FROM:** Mary Dyas, Compliance Project Manager

**SUBJECT: Gilroy Cogeneration Project (84-AFC-4C)  
Staff Analysis of Amendment Proposal to Remove Integrated  
Assessment of Need Condition of Certification 3**

On October 3, 2018, Calpine Gilroy Cogen, L.P. filed a petition with the California Energy Commission requesting to amend the Final Decision for the Gilroy Cogeneration Project (GCP) by removing Integrated Assessment of Need Condition of Certification 3 (**NEED-3**). The proposed amendment would remove the requirement that the facility operate as a gas-fired cogeneration system. The GCP would still be available to meet reliability and system needs without requiring that the facility also provide thermal energy to a steam host. The 115-megawatt project was certified by the Energy Commission in 1985 and began commercial operation in 1988. The facility is located in Gilroy, Santa Clara County.

Energy Commission staff has reviewed the petition pursuant to Title 20, California Code of Regulations, section 1769 (Post Certification Amendments and Changes) and has concluded that removal of Condition of Certification **NEED-3** would not result in a significant impact on the environment, or cause the project to not comply with applicable laws, ordinances, regulations, and standards. Staff intends to recommend approval of the petition at the December 10, 2018 Business Meeting of the Energy Commission.

The Energy Commission's webpage for this facility, [http://www.energy.ca.gov/sitingcases/pre1999\\_page/index.php?xkm=ajdkha2385duhkasd190dsasjd5598fhajkhs](http://www.energy.ca.gov/sitingcases/pre1999_page/index.php?xkm=ajdkha2385duhkasd190dsasjd5598fhajkhs), has a link to the petition and the Staff Analysis on the right side of the webpage in the box labeled "Compliance Proceeding." Click on the "Documents for this Proceeding (Docket Log)" option. If approved, the Energy Commission's Order approving this petition will also be available from the same webpage.

This letter has been mailed to the Commission's list of interested parties and property owners adjacent to the facility site. It has also been e-mailed to the Siting listserv. The listserv is an automated Energy Commission e-mail system by which information about this facility is e-mailed to parties who have subscribed. To subscribe, go to the Commission's webpage for this facility, cited above, scroll down the right side of the project's webpage to the box labeled "Subscribe," and provide the requested contact information.

Any person may comment on the Staff Analysis. Those who wish to comment on the analysis are asked to submit their comments by December 3, 2018. To use the Energy Commission's electronic commenting feature, go to the Energy Commission's webpage for this facility, cited above, click on the "Submit e-Comment" link, and follow the instructions in the on-line form. Be sure to include the facility name in your comments. Once submitted, the Energy Commission Dockets Unit reviews and approves your comments, and you will receive an e-mail with a link to them.

Written comments may also be mailed or hand-delivered to:

California Energy Commission  
Dockets Unit, MS-4  
Docket No. **84-AFC-4C**  
1516 Ninth Street  
Sacramento, CA 95814-5512

All comments and materials filed with and approved by the Dockets Unit will be added to the facility Docket Log and become publically accessible on the Energy Commission's webpage for the facility.

If you have questions about this notice, please contact Mary Dyas, Compliance Project Manager, at (916) 651-8891, or by fax to (916) 654-3882, or via e-mail at [mary.dyas@energy.ca.gov](mailto:mary.dyas@energy.ca.gov).

For information on participating in the Energy Commission's review of the petition, call Alana Mathews, Public Adviser, at (916) 654-4489 or (800) 822-6228 (toll-free in California) or send your e-mail to [publicadviser@energy.ca.gov](mailto:publicadviser@energy.ca.gov).

News media inquiries should be directed to the Energy Commission Media Office at (916) 654-4989, or by e-mail to [mediaoffice@energy.ca.gov](mailto:mediaoffice@energy.ca.gov).

Mail List: 794  
Listserv: gilroycogen

# GILROY COGENERATION PROJECT (84-AFC-4C)

## Petition to Amend Commission Decision EXECUTIVE SUMMARY

Mary Dyas

### INTRODUCTION

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On October 3, 2018, Calpine Gilroy Cogen, L.P. (Calpine) filed a petition with the California Energy Commission requesting to amend the 1985 Final Decision for the Gilroy Cogeneration Project.

The purpose of the Energy Commission's review process is to assess whether the proposed amendment would have a significant impact on the environment or cause the project to not comply with applicable laws, ordinances, regulations, and standards (LORS) (Cal. Code Regs., tit. 20, § 1769).

Energy Commission staff has completed its review of all materials received. The Staff Analysis below is staff's assessment of the project owner's proposal to remove Integrated Assessment of Need Condition of Certification 3 (**NEED-3**).

### PROJECT LOCATION AND DESCRIPTION

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The 115-megawatt project was certified by the Energy Commission in 1985 and began commercial operation in 1988. The facility is located in Gilroy, Santa Clara County. The project was originally licensed to use groundwater for all of its uses. In 2005, the project was amended to use recycled water for cooling purposes (CEC 2005). Thus the project currently uses two streams of water: groundwater for steam generation, and recycled water for cooling. Wastewater, which consists primarily of blowdown from the cooling towers, is discharged to the steam host for disposal by land application pursuant to a waste discharge permit issued by the Central Coast Regional Water Quality Control Board (RWQCB). A reverse osmosis (RO) system is used to treat groundwater for steam boiler makeup and other process purposes. Backwash water from the RO system is recycled back to the cooling tower.

### DESCRIPTION OF PROPOSED MODIFICATIONS

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Calpine is requesting to remove Condition of Certification **NEED-3**. This condition is in the Need/Alternatives section of the November 13, 1985 Commission Final Decision and reads as follows:

The facility shall be operated as a gas-fired cogeneration system in accordance with the definition of cogeneration contained in Public Resources Code Section 25134 (a) and (b) and Title 18 CFR 292.205 (a)(1) and (2)(i)(B).

## NECESSITY FOR THE PROPOSED MODIFICATIONS

The proposed modification will remove the requirement that the facility operate as a cogeneration unit producing thermal energy for a steam host in addition to electrical energy. This would be consistent with current requirements regarding cogeneration facilities, and the facility's intended operations in 2019 when its contract with its thermal host ends. This requirement was imposed at a time when provisions of the Warren-Alquist Act (former Pub. Resources Code, §§ 25523 (f) and 25524 (a)) required the Energy Commission to conduct an "integrated assessment of need" prior to certifying a facility. The California State Legislature removed these provisions in 1999. The project could still supply steam to the thermal host, but would not be required to do so.

## STAFF'S ASSESSMENT OF THE PROPOSED AMENDMENT

Energy Commission technical staff reviewed the petition for potential environmental effects and consistency with applicable LORS. Staff's conclusions in each technical area are summarized in the following **Executive Summary Table 1**.

**Executive Summary Table 1**  
**Summary of Impacts for Each Technical Area**

TECHNICAL AREAS REVIEWED	STAFF RESPONSE			Revised Conditions of Certification Recommended
	Technical Area Not Affected	No Significant Environmental Impact or LORS Inconsistency*	Process As Amendment	
Air Quality		X	N/A	N/A
Biological Resources	X		N/A	N/A
Cultural Resources	X		N/A	N/A
Efficiency	X		N/A	N/A
Facility Design	X		N/A	N/A
Geological & Paleontological Resources	X		N/A	N/A
Hazardous Materials Management	X		N/A	N/A
Land Use	X		N/A	N/A
Noise & Vibration	X		N/A	N/A
Paleontological Resources	X		N/A	N/A
Public Health	X		N/A	N/A
Socioeconomics	X		N/A	N/A
Soil & Water Resources		X	N/A	N/A
Traffic & Transportation	X		N/A	N/A

TECHNICAL AREAS REVIEWED	STAFF RESPONSE			Revised Conditions of Certification Recommended
	Technical Area Not Affected	No Significant Environmental Impact or LORS Inconsistency*	Process As Amendment	
Transmission Line Safety & Nuisance	X		N/A	N/A
Transmission System Engineering	X		N/A	N/A
Visual Resources	X		N/A	N/A
Waste Management	X		N/A	N/A
Worker Safety & Fire Protection	X		N/A	N/A

\*There is no possibility that the proposed modifications may have a significant effect on the environment, and the modifications will not result in a change in or deletion of a condition adopted by the Commission in the Final Decision, or make changes that would cause project noncompliance with any applicable laws, ordinances, regulations, or standards (Cal. Code Regs., tit. 20, § 1769 (a)(2)).

Staff has determined that the only technical areas affected by the proposal to remove Condition of Certification **NEED-3** are Air Quality and Soil and Water Resources. For these areas, staff concludes that removal of **NEED-3** would not result in a significant impact on the environment or cause the project to not comply with applicable LORS. Staff notes the following for these areas:

**AIR QUALITY** - The facility is currently permitted with the Bay Area Air Quality Management District (BAAQMD) to operate with or without a thermal host. Staff understands the BAAQMD would not require a permit modification to accommodate operation without a thermal host. The facility would continue to operate in compliance with the BAAQMD air permit. In addition, there are no proposed changes to the Air Quality conditions of certification.

**SOIL & WATER RESOURCES – *Water Supply*:** There would be no change in the water supply by eliminating **NEED-3**. As discussed above, groundwater is used to generate steam for delivery to the host. Given the expiration of the steam contract at the end of December 2018, the likelihood that the project owner may increase the cost of steam delivered to the host, and the host's new addition of a different drying system, the host would likely halt or limit steam deliveries from GCP for the foreseeable future. This would result in reductions in groundwater use. There are no conditions of certification that place limits on groundwater use and the anticipated decrease in use would be beneficial.

***Water Quality*:** Any GCP wastewater streams generated as a result of steam boiler operation and delivery to the host are recycled to the GCP cooling towers for use. Blowdown from the power plant cooling towers is pumped to and disposed of by the steam host under a permit from the RWQCB. There would be no change in the method of wastewater disposal by eliminating **NEED-3**. If groundwater use for delivery to the

steam host decreases, then wastewater generated from its cleanup and use would also decrease. Decreases in this wastewater stream, which is recycled to the cooling towers, would have to be made up using recycled water. The plant currently disposes wastewater to the host in accordance with the host's prescribed requirements and the host in turn complies with the RWQCB permit requirements. GCP has been operating without providing steam to the host and disposing of blowdown from the cooling towers and is able to meet the host's prescribed requirements. Staff concludes that there would be no significant change in the wastewater discharge from GCP which would result in a significant impact.

**Drainage:** The modification would not result in a change in volume or method used to manage storm water at the project.

## STAFF RECOMMENDATIONS AND CONCLUSIONS

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Staff concludes that the following required findings, mandated by Title 20, California Code of Regulations, section 1769 (a)(3), can be made, and staff recommends approval of the petition by the Energy Commission:

- The removal of Condition of Certification **NEED-3** would not cause a significant impact on the environment;
- The project would remain in compliance with all applicable laws, ordinances, regulations, and standards;
- The anticipated decrease in groundwater use would be beneficial to the project owner and the public.
- There have been substantial changes in circumstances since certification of the facility due to amendments to the Warren-Alquist Act that removed the requirement that the Energy Commission conduct an Integrated Assessment of Need prior to certifying a facility. The proposed modification will remove an obsolete requirement that the facility produce thermal energy for a steam host in addition to electrical energy, which is consistent with the facility's intended operations in 2019 when its contract with its thermal host ends.

## REFERENCES

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CEC 1985 -- California Energy Commission Final Commission Decision on the Application for Certification of Gilroy Foods Cogeneration Facility (84-AFC-04), November 1985.

CEC 2005 – California Energy Commission Order Approving Modifications to Change the Source of Power Plant Cooling Water to Recycled Wastewater. TN 36080. December 14, 2005.

GCP 2018-- Calpine, Petition for Modification to Remove Integrated Assessment of Need Condition of Certification-3, October 2018, Docket No. 84-AFC-04C (TN #: 221243-2)



October 3, 2018

Ms. Mary Dyas  
Compliance Project Manager  
Siting, Transmission and  
Environmental Protection (STEP) Division  
California Energy Commission  
1516 Ninth Street, MS-2000  
Sacramento, CA 95814  
E-mail: [Mary.Dyas@energy.ca.gov](mailto:Mary.Dyas@energy.ca.gov)

**RE: Gilroy Cogeneration Project (84-AFC-04C): Petition for Modification to Remove Integrated Assessment of Need Condition of Certification-3**

Dear Ms. Dyas:

In accordance with Section 1769 of the California Energy Commission's regulations, enclosed is a Petition for Modification to Remove Integrated Assessment of Need Condition of Certification-3 ("Petition") for the Gilroy Cogeneration Project. Calpine Gilroy Cogen, L.P. requests that the California Energy Commission consider approval of this Petition at the November 7, 2018 Business Meeting.

Please contact me or Barbara McBride (at (925) 570-0849 or [Barbara.McBride@calpine.com](mailto:Barbara.McBride@calpine.com)) if you have any questions.

Sincerely,

/s/

\_\_\_\_\_  
Samantha G. Neumyer  
Jeffery D. Harris  
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# **Gilroy Cogeneration Project**

**(84-AFC-04C)**

## **Petition for Modification To Remove Integrated Assessment of Need Condition of Certification-3**

Submitted by  
**Calpine Gilroy Cogen, L.P.**



**October 3, 2018**

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## GILROY COGENERATION PROJECT

84-AFC-04C

### PETITION FOR MODIFICATION

Pursuant to Section 1769 of the California Energy Commission's Siting Regulations, Calpine Gilroy Cogen, L.P. ("Project Owner") hereby submits this *Petition for Modification to Remove Integrated Assessment of Need Condition of Certification-3* (the "Petition") for the Gilroy Cogeneration Project ("GCP" or "Project"). The Project Owner requests that the California Energy Commission ("Commission") consider approval of this Petition at the November 7, 2018 Business Meeting.

As set forth below, the modification requested herein will simply remove a Condition associated with the former "Integrated Assessment of Need", Integrated Assessment of Need Condition of Certification-3 ("Need COC-3"), which is now obsolete and unnecessary due to changes in California law and regulation. The Integrated Assessment of Need was performed to protect an investor owned utility's ("IOU's") captive ratepayers from having to pay for facilities that were not needed to serve ratepayers. Senate Bill 110 (Stats. 1999, ch. 581) repealed former Public Resources Code Sections 25523 (f) and 25524 (a), removing the Integrated Assessment of Need provisions. Because Need COC-3 is no longer applicable or necessary to ensure GCP's compliance with LORS, this Petition requests removal of this outdated condition.

The proposed modification will not change the GCP's project design, operation, or performance. The removal of Need COC-3 will not result in any physical changes to the project, will not have a significant effect on the environment and will not affect the Project's ability to continue to comply with applicable laws, ordinances, regulations, or standards ("LORS"). Instead, the proposed modification will clarify that LORS do not require the facility to operate as a cogeneration facility when its contract with its thermal host expires at the end of 2018.

#### **I. Section 1769(a)(1)(A): Description of the proposed modifications, including new language for affected conditions.**

The Petition requests removal of Need COC-3 from the CEC's certification of the GCP. Need COC-3 provides that the GCP "shall be operated as a gas-fired cogeneration system in accordance with the definition of cogeneration contained in Public Resources Code Section 25134 (a) and (b) and Title 18 CFR 292.205(a)(1) and (2)(i)(B)."<sup>1</sup>

No other conditions are affected by this Petition, and the Project Owner does not propose any new language for the affected condition.

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<sup>1</sup> See, Commission Decision, Application for Certification for the Gilroy Foods Cogeneration Facility (Docket No. 84-AFC-4) (Nov. 13, 1998), p. 53.

**II. Section 1769(a)(1)(B): Discussion of the necessity for the modifications.**

The proposed modification is necessary because Need COC-3 is no longer consistent with LORS due to amendments to the Warren-Alquist Act that removed the requirement that the CEC conduct an Integrated Assessment of Need prior to certifying a facility. The proposed modification will remove the requirement that the facility produce thermal energy for a steam host in addition to electrical energy, which is consistent with the facility's intended operations in 2019 when its contract with its thermal host ends.

**III. Section 1769(a)(1)(C): Discussion of whether the modification is based on information that was known by the petitioner during the certification proceeding.**

The proposed modification is not based upon information that was known during the certification proceeding for the Project.

**IV. Section 1769(a)(1)(D): Discussion of whether the modification is based on new information that changes or undermines the assumptions, rationale, findings, or other bases of the final decision, and explanation of why the change should be permitted.**

The proposed modification would remove the restriction that the facility operate as a gas-fired cogeneration system. This would affect the findings in the Final Decision relating to the need for the GCP, which was premised on the fact that the GCP was a gas-fired cogeneration facility within the meaning of Public Resources Code section 25134. This change should be permitted because subsequent to the permitting of the GCP, the Legislature amended the Warren-Alquist Act removing the requirement that the CEC conduct an Integrated Assessment of Need for Commission certified facilities. The proposed modification would clarify that the GCP may still be available to meet reliability and system needs without requiring that the facility also provide thermal energy to a steam host.

**V. Section 1769(a)(1)(E): Analysis of the impacts the modification may have on the environment, if any, and proposed measures to mitigate any potentially significant adverse impacts.**

The proposed modification would not have any impacts on the environment. There would be no physical changes to the facility. Existing equipment that is used to direct steam to the steam host would be closed, i.e., valves and other systems, to prevent steam flow to the thermal host at the end of the facility's service to such steam host.

Significantly, after the facility is no longer a cogeneration unit, the Project will continue to operate in compliance with its Bay Area Air Quality Management District's ("BAAQMD") issued air quality permits. Moreover, the project would continue to operate within all permitted limits. Noise levels and water use would not increase, there would be

no additional ground disturbance, and there would be no physical changes to the appearance of the Project.

**VI. Section 1769(a)(1)(F): Discussion of the impact of the modification on the facility's ability to comply with applicable laws, ordinances, regulations, and standards.**

The proposed modification will not impact the Project's ability to comply with all applicable LORS. The project is already designed and constructed to operate with and without a steam host receiving thermal energy. The project will continue to operate within existing, permitted parameters.

**VII. Section 1769(a)(1)(G): Discussion of how the modification potentially affects the public.**

The proposed modification will not adversely affect the public. No changes to permitted emissions limits are proposed. The modification will not negatively impact air quality or public health. Therefore, there are no potentially significant adverse effects on property owners that will result from the proposed modification.

**VIII. Section 1769(a)(1)(H): List of property owners potentially affected by the modification, if any.**

The proposed modification will have no potentially significant environmental impacts and will be in compliance with applicable LORS. There are no changes to the facility proposed, and no changes to permitted emissions limits are proposed. Therefore, no property owners will be affected by the modification, and a list is not necessary as part of this Petition.

**IX. Section 1769(a)(1)(I): Discussion of the potential effect, if any, on nearby property owners, the public and the parties in the application proceeding.**

The proposed modification will have no potentially significant environmental effects and will be in compliance with all applicable LORS. Therefore, the proposed changes will have no adverse impacts on property owners, the public, or any parties in the application proceeding.

**CALIFORNIA ENERGY COMMISSION**

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



**NOTICE OF RECEIPT  
PETITION TO AMEND  
THE CALIFORNIA ENERGY COMMISSION DECISION FOR THE  
GILROY COGENERATION PROJECT (84-AFC-4C)**

On October 3, 2018, Calpine Gilroy Cogen, L.P. (Calpine) filed a petition with the California Energy Commission requesting to modify the Calpine Gilroy Cogeneration Project. The 115-megawatt project was certified by the Energy Commission in 1985 and began commercial operation in 1988. The facility is located in Gilroy, Santa Clara County.

**DESCRIPTION OF PROPOSED MODIFICATION**

Calpine is proposing to remove Integrated Assessment of Need Condition of Certification 3 for the Gilroy Cogeneration Project.

**ENERGY COMMISSION AMENDMENT REVIEW PROCEDURES**

The Energy Commission's webpage for this facility, [http://www.energy.ca.gov/sitingcases/pre1999\\_page/index.php?xkm=ajdkha2385duhkasd190dsasjd5598fhajkhs](http://www.energy.ca.gov/sitingcases/pre1999_page/index.php?xkm=ajdkha2385duhkasd190dsasjd5598fhajkhs), has a link to the amendment petition on the right side of the webpage in the box labeled "Compliance Proceeding." Click on the "Documents for this Proceeding (Docket Log)" option.

Energy Commission staff is currently reviewing the petition. The purpose of the Energy Commission's review process is to assess the impacts of this proposal on environmental quality and on public health and safety. The review process includes an evaluation of the consistency of the proposed changes with the Energy Commission's Decision and a determination on whether the facility, as modified, would remain in compliance with applicable laws, ordinances, regulations and standards (20 Cal. Code of Regs., § 1769). After the staff has completed its independent review and analysis of this petition to amend, it will publish its assessment for public review and comment.

This Notice of Receipt has been mailed to the Commission's facility mail list of interested parties and property owners adjacent to the facility site. It has also been e-mailed to the Siting listserv. The listserv is an automated Energy Commission e-mail system by which information about this facility is e-mailed to parties who have subscribed. To subscribe, go to the Commission's webpage for this facility, cited above, scroll down the right side of the project's webpage to the box labeled "Subscribe," and provide the requested contact information.

Any person may comment on the petition. To use the Energy Commission's electronic commenting feature, go to the Energy Commission's webpage for this facility, cited above, click on the "Submit e-Comment" link, and follow the instructions in the on-line form. Be sure to include the facility name in your comments. Once submitted, the



Energy Commission Dockets Unit reviews and approves your comments, and you will receive an e-mail with a link to them.

Written comments may also be mailed or hand-delivered to:

California Energy Commission  
Dockets Unit, MS-4  
Docket No. **84-AFC-4C**  
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Sacramento, CA 95814-5512

All comments and materials filed with and approved by the Dockets Unit will be added to the facility Docket Log and become publicly accessible on the Energy Commission's webpage for the facility.

If you have questions about this notice, please contact Mary Dyas, Compliance Project Manager, at (916) 651-8891, or by fax to (916) 654-3882, or via e-mail at [mary.dyas@energy.ca.gov](mailto:mary.dyas@energy.ca.gov).

For information on participating in the Energy Commission's review of the petition, call Alana Mathews, Public Adviser, at (916) 654-4489 or (800) 822-6228 (toll-free in California) or send your e-mail to [publicadviser@energy.ca.gov](mailto:publicadviser@energy.ca.gov).

News media inquiries should be directed to the Energy Commission Media Office at (916) 654-4989, or by e-mail to [mediaoffice@energy.ca.gov](mailto:mediaoffice@energy.ca.gov).

Date: \_\_\_\_\_

10/9/13

*Christine Root*

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**CHRISTINE ROOT**

Compliance Office Manager

Siting, Transmission & Environmental Protection Division

Mail List: 794

Listserv: Siting

## STATE OF CALIFORNIA

STATE ENERGY RESOURCES  
CONSERVATION AND DEVELOPMENT COMMISSION

In the Matter of:	)	
GILROY COGENERATION	)	Docket No. 84-AFC-4C
PROJECT	)	
	)	
	)	
CALPINE GILROY COGEN, L.P.	)	ORDER APPROVING the Removal of
	)	Integrated Assessment of Need
	)	Condition of Certification 3

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Calpine Gilroy Cogen, L.P. (Calpine), the owner/operator of the Gilroy Cogeneration Project, located in Gilroy, Santa Clara County, has submitted a petition to amend the Energy Commission Decision in order to remove Integrated Assessment of Need Condition 3 (**NEED-3**).

The proposed removal of **NEED-3** will remove the requirement that the facility produce thermal energy for a steam host in addition to electrical energy, which would be consistent with the facility's intended operations in 2019. The project's contract with its thermal host expires at the end of 2018.

The removal of **NEED-3** will not result in any physical changes to the project, will not have a significant effect on the environment and will not affect the project's ability to continue to comply with applicable laws, ordinances, regulations, or standards. No other conditions are affected by this petition, and Calpine does not propose any new language for the affected condition.

**STAFF RECOMMENDATION**

Staff has reviewed the petition, finds that it complies with the requirements of Title 20, section 1769 (b) of the California Code of Regulations, and recommends approval of Calpine's petition to modify the GCP final decision and remove Condition **NEED-3**.

**ENERGY COMMISSION FINDINGS**

Based on the entire record, including staff's analysis, the Energy Commission concludes that the proposed modification will not result in any significant impacts to public health and safety, or to the environment. The Energy Commission finds that:

- The petition meets all the filing criteria of Title 20, section 1769 (a), of the California Code of Regulations, concerning post-certification project modifications;
- The removal of **NEED-3** will not change the findings in the Energy Commission's Final Decision, pursuant to Title 20, section 1748, of the California Code of Regulations;
- The project will remain in compliance with all applicable laws, ordinances, regulations, and standards, subject to the provisions of Public Resources Code, section 25525;
- The modification will be beneficial because there would be a decrease in the amount of groundwater used; and
- There has been a substantial change in circumstances since the Energy Commission certification, justifying the proposed change, in that amendments to the Warren-Alquist Act have removed the requirement that the Energy Commission conduct an Integrated Assessment of Need prior to certifying a facility.

## CONCLUSION AND ORDER

The California Energy Commission hereby adopts staff's recommendations and approves the changes to the Commission Final Decision for the Gilroy Cogeneration Project. Deleted language is shown in ~~strikethrough~~.

### ~~NEED CONDITION OF CERTIFICATION 3~~

- ~~1. The facility shall be operated as a gas-fired cogeneration system in accordance with the definition of cogeneration contained in Public Resources Code Section 25134 (a) and (b) and Title 18 CFR 292.205 (a)(1) and (2) (i)(B).~~

~~**Verification.** The Applicant shall file with the CEC within three months following each calendar year an annual report in which monthly average values of the following plant operating parameters will be given:~~

- ~~1. Gas Turbine, MW (gross)~~
- ~~2. Gas Turbine Operating Hours~~
- ~~3. Steam Turbine, MW (gross)~~
- ~~4. Steam Turbine Operating Hours~~
- ~~5. Net Plant Output, MW~~
- ~~6. a. Process Steam Demand, lb/hr.  
b. Demand Hours~~
- ~~7. a. Process Steam from Steam Turbine, lbs/hr.  
b. Production Hours  
c. Process Steam Temperature and Pressure (PSIA) at Plant Boundary~~
- ~~8. a. Process Steam from Auxiliary Boilers, lbs/hr.  
b. Auxiliary Boilers' Operating Hours~~

~~This report shall also provide information for each month on any partial or total power production curtailment, including duration of curtailment and reason for curtailment. The report shall be certified by the plant manager.~~

**IT IS SO ORDERED.**

**CERTIFICATION**

The undersigned Secretariat to the Commission does hereby certify that the foregoing is a full, true, and correct copy of an Order duly and regularly adopted at a meeting of the California Energy Commission held on December 10, 2018.

AYE:

NAY:

ABSENT:

ABSTAIN:

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Cody Goldthrite  
Secretariat