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MEDIA ADVISORY

Energy Commission Approves Power Plant in Carlsbad

SACRAMENTO - The California Energy Commission today approved the construction of a proposed 558-megawatt natural gas power plant in Carlsbad.

By a 4-0 vote, the Energy Commission adopted the revised presiding member's proposed decision (PMPD) for the Carlsbad Energy Center Project.

"The Carlsbad project will help ensure a reliable supply of electricity in San Diego by meeting a need identified by the California Independent System Operator," said Energy Commissioner Karen Douglas, who is the presiding member for the committee reviewing the Carlsbad project. "It will also reduce pollution by displacing electricity generated by other less efficient facilities, further California's policy to avoid once-through cooling by facilitating retirement of the nearby Encina Power Station, and facilitate the integration of intermittent renewable energy resources such as wind and solar power."

In the revised PMPD, the committee said the proposed facility, as mitigated, will have no significant impacts on the environment and complies with all applicable laws, ordinances, regulations, and standards (LORS) except in the area of land use. The committee also determined that the project's benefits outweigh the land use impacts and lack of compliance with recently amended Carlsbad land use regulations, a single provision in the state fire code, and possible lack of compliance with the California Coastal Act. The committee recommended that the Energy Commission make override findings and approve the project in spite of the impacts and LORS inconsistencies.

Among the requirements placed upon the project is the obligation to plan for and obtain permits for the removal of the existing Encina Power Station equipment, including the 400-foot high exhaust stack. The project developer must carry out those plans when electricity from the equipment is no longer needed to maintain grid reliability and a viable redevelopment plan is approved by the city of Carlsbad.

The revised PMPD determined that the record, which contains a detailed environmental impact assessment required by the California Environmental Quality Act, was adequate. The record includes the Energy Commission staff's thorough and independent assessment of the project's potential impacts on the environment, public health, and safety.

The Carlsbad Energy Center Project is a natural gas-fired, combined-cycle facility being proposed by Carlsbad Energy Center LLC, an indirect wholly-owned subsidiary of NRG Energy, Inc. The project is scheduled to be built on a 23-acre portion of the existing Encina Power Station in Carlsbad. The applicant plans to retire the existing steam boiler Units 1, 2 and 3 at the Encina Power Station when the Carlsbad project is operational.

The original PMPD, which was released in May 2011, had recommended licensing the construction of the Carlsbad project. In June 2011, the full Energy Commission had voted to reopen the official record for the project and hear new evidence on several issues. The committee took additional evidence at a December 2011 evidentiary hearing. The revised PMPD recommending the approval of the Carlsbad project was issued in March 2012.

The estimated capital cost for the Carlsbad project would exceed \$500 million. Construction would start during the first quarter of 2014 with commercial operations in the summer of 2016. The project would require a peak of 357 workers during construction. No new operational employees would be added because the 14 workers needed would be transferred from the planned shutdown of Units 1, 2, and 3 at the Encina Power Station, according to the applicant.

More information about the Carlsbad project can be found at:
www.energy.ca.gov/sitingcases/carlsbad/index.html

The California Energy Commission is the state's primary energy policy and planning agency. Created by the Legislature in 1974 and located in Sacramento, six basic responsibilities guide the Energy Commission as it sets state energy policy: forecasting future energy needs; licensing thermal power plants 50 megawatts or larger; promoting energy efficiency and conservation by setting the state's appliance and building efficiency standards; supporting public interest energy research that advances energy science and technology through research, development, and demonstration programs; developing renewable energy resources and alternative renewable energy technologies for buildings, industry and transportation; planning for and directing state response to energy emergencies.

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