

Calpine Sutter Permit Amendment

Key Dates:

- March 8, 2011** Calpine seeks to amend permit to allow Sutter Energy Center (SEC) to be served by a new 2.8 mile, 6-inch natural gas pipeline (aka the “Grimes Project”) that is to be constructed by an affiliate. See specifics of proposal below.
- August 12, 2011** CEC staff issued assessment and mitigation measures that would allow the project to remain in compliance with LORS and the proposed modifications will not result in a significant adverse direct or cumulative impact to the environment. Mitigation measures are needed for biological resources, cultural resources, hazardous materials management, paleontological resources, and waste management.
- October 14, 2011** Calpine proposes modifications to full-time cultural monitoring Requirements, given other license conditions address issues.
- Approval TBD** Approval was to be recommended on 10/19/11, but CEC cancelled that business meeting. It is not shown as an agenda item on the 11/2/11 Business Meeting agenda.

Conclusion:

Calpine is proposing the pipeline to improve the reliability and economics of SEC. There is no indication that they will retire the plant if the pipeline is not constructed.

Pipeline proposal:

- Currently receives natural gas from PG&E via 20-inch Sutter Pipeline
- Grimes Pipeline Project, which will flow gas from north to south, will interconnect to existing Sutter Pipeline west of the SEC site on Girdner Road just west of Hageman Road at the new Grimes Station
- Will allow the SEC to directly access local natural gas from the Grimes natural gas field in the Sacramento Basin to the north and west of the Project site.
- Once constructed, proposed pipeline capable of transporting ~10 million standard cubic feet per day of natural gas from Venoco Inc.’s and other gas producers’ existing gas wells north of the community of Grimes.
- Important to note that quantity of natural gas delivered to the SEC will not be increased over existing deliveries. Instead, the Grimes Pipeline adds fuel supply diversity to the SEC.
- To facilitate deliveries from local gas field suppliers, the Grimes Pipeline Project will include new gas metering station with related facilities near its southern terminus to be called “Grimes Station.” Grimes Station will be located on Redacted
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- Grimes pipeline will also be owned and operated by the Project owner’s affiliate, CPN Pipeline Company.
- Calpine asserts that “the potential to access this source of gas will improve the economics and reliability” of Sutter.
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