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Groundbreaking set for new plant

By Samie Hartley

After months of hearings, testimony and investigations, the Oakley Generating Station will celebrate its official groundbreaking next month.

Last month, the California Energy Commission approved the proposal to build a natural gas-fired, combined-cycle electrical generating facility on a 21.95-acre parcel at the former DuPont property at Bridgehead Road. The plant will be the first of its kind, utilizing state-of-the-art technology that boasts lower emissions and higher efficiency, generating power for more than 600,000 households in the Bay Area. The power plant, which Pacific General and Electric plans to purchase on completion, is slated to open in late 2013.

Mayor Jim Frazier said he's pleased with the commission's decision and looks forward to the groundbreaking: "It was a long and arduous task to pull this off, but I'm very proud to have been a part of the process to bring this project to Oakley. This project will be great for the people in the community who need these construction jobs. And the power plant is going to be the most efficient, and latest and greatest in energy technology, and I'm proud that Oakley will be a part of that."

The approval process for the Oakley Generation Station included a 16-month investigation conducted by the energy commission. At its May 18 meeting, the four-member commission voted unanimously to move the project forward, allowing Radback Energy, Inc. to proceed with construction. In the official report, Chairman Robert B. Weisenmiller stated that the Oakley Generating Station will

provide a degree of economic benefits and electricity reliability to East County. Radback must comply with the conditions stated in the 600-page report to ensure that the project is designed, sited and operated in conformity with local, regional, state and federal laws to protect the quality of the local environment and assure that the facility is operated safely.

According to Radback Senior Vice President of Development Greg Lamberg, the support of the community and local officials played an important role in the station's approval, and he's looking forward to working with Oakley during the construction process.

"The mobilization of the community to support this project has been instrumental to the success of this project," Lamberg said. "The outpouring of support from the community has been phenomenal. They've been behind us for the past two years and now we are preparing to break ground, and its great to see the community getting excited."

The City of Oakley entered into a benefit agreement with Radback in March of 2010 in which the energy company agreed to contribute approximately \$6 million to the city to fund capital improvement projects and establish a community grant program for nonprofit organizations. Under the agreement, Radback will contribute \$3 million for various transportation, landscaping and infrastructure improvements throughout the city and \$2.8 million toward potential environmental improvements. The remaining \$250,000 will go to the grant program, which could benefit local programs such as La Clinica, 4-H and Friends of Marsh Creek Watershed. Money for the community-benefits agreement will become available once Radback has secured financing.

The community will also benefit from the more than 700 jobs to be created during the power plant's construction. Radback has hired local contractors Contra Costa Electric, based in Martinez, Performance Mechanical, Inc, based in Pittsburg, and Granite Construction, based in Brentwood. It's expected that the hundreds of construction employees will benefit the local economy by shopping, dining and potentially residing in Oakley. Lamberg estimated that \$6 million could be generated in local sales tax alone. When the project is completed, approximately 20 people will be hired to maintain the functioning of the facility.

City Manager Bryan Montgomery said the many benefits associated with the project is a gain to the city: "With about 700 construction jobs, the community-benefit agreement, ongoing tax revenues and upgrades to infrastructure that can help the entire former Dupont plant property, the power plant project will provide a huge economic stimulus for Oakley and the surrounding area."

The Oakley Generating Station could prove even more lucrative if Senate Bill 536, authored by Sen. Mark DeSaulnier specifically for Oakley's benefit, is passed. Since the plant is located within the city's redevelopment agency, the city cannot collect property taxes on the plant. If the governor approves the bill, which would allow redevelopment agencies to collect property taxes, Oakley could collect millions in property tax revenue.

While groundbreaking begins in July, Lamberg said residents won't see any significant construction until January once the foundation and earthwork has been completed.