

DOCKETED

Docket Number:	02-AFC-01C
Project Title:	Sonoran Energy Project (formerly Blythe Energy Project Phase II) - Compliance
TN #:	206187
Document Title:	AltaGas Sonoran Energy Inc.'s Response to Staff's Issues Identification Report
Description:	N/A
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Submitter Role:	Applicant Representative
Submission Date:	9/24/2015 10:52:26 AM
Docketed Date:	9/24/2015



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September 24, 2015

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VIA ELECTRONIC DELIVERY

The Honorable Janea S. Scott, Commissioner and Presiding Member
The Honorable Karen Douglas, Commissioner and Associate Member
California Energy Commission
1516 Ninth Street
Sacramento, CA 95814

**Re: Sonoran Energy Project (02-AFC-01C)
Project Owner's Response to Staff's Issues Identification Report and Proposed
Schedule**

Dear Commissioners:

Pursuant to the Committee's September 11, 2015 Notice of Public Site Visit, Environmental Scoping Meeting and Information Hearing, Project Owner AltaGas Sonoran Energy Inc. ("AltaGas Sonoran" or "Project Owner") submits this response to Energy Commission Staff's Issues Identification and Scoping Report ("Staff's Report"), dated September 21, 2015, as it relates to the Sonoran Energy Project ("SEP").

First and foremost, AltaGas Sonoran looks forward to working cooperatively with the CEC Staff, interested agencies, and any parties to the Petition to Amend ("PTA" or "Petition") proceeding. The following presents Project Owner's initial response to Staff's Report. Project Owner expects and intends to provide additional responses and information as this proceeding moves forward. Project Owner agrees with Staff's statement that the potential issues set forth in Staff's Report are not "non-resolvable" and looks forward to working with Staff to achieve resolution. This response is outlined in the order set forth in Staff's Report.

SCOPE OF STAFF ANALYSIS

Project Owner understands that the scope of analysis will be consistent with section 1769 of Title 20 of the California Code of Regulations. Accordingly, the analysis should evaluate the impacts of the proposed modifications on the environment and the proposed modifications compliance with Laws Ordinances Regulations and Standards ("LORS").

SOIL AND WATER RESOURCES

The project is licensed to use up to 2,800 acre-feet per year (AFY) of water from the Palo Verde Mesa groundwater basin. The PTA does not propose to change the quantity or source of water used for the project. Thus, there is no modification proposed that may have impacts on the



The Honorable Janea S. Scott, Commissioner and Presiding Member

September 24, 2015

Page 2

environment or on the facility's ability to comply with LORS. (20 Cal. Code Regs. § 1769(a)(1).)

Staff's Report refers to "several new and proposed power plants [that] have or will be constructed in the area that use dry cooling and other technologies that minimize water use," discussing Ivanpah Solar Electric Generating System and Genesis Solar Energy Project (GSEP). Ivanpah and GSEP are solar thermal projects, and both were licensed by the CEC in September 2010. This project received Commission approval of an amendment in April 2012, which included a change in the project's maximum water use. Thus, since the time both Ivanpah and GSEP were approved, Staff has analyzed the water supply and consumption for this project and raised no concerns regarding the project's use of 2,800 AFY from the Palo Verde Mesa groundwater basin or about the project's compliance with Water Quality Control Policy 75-58. (See Staff Analysis of Proposed Modifications, dated March 12, 2012 (TN# 64099) at pp. 129-132; *see also*, Commission Order Approving Petition to Amend, dated April 26, 2012 (TN# 64945).) Because the PTA does not propose to change the project's licensed water use, there is no basis for the additional analysis identified in Staff's Report, and the reliance on "new" information that predates the most recent analysis of water supply for the project is not appropriate.

Similarly, there have been no changes to water supply LORS since the amendment in 2012 that warrant additional analysis of this issue. This includes the State Water Resources Control Board Drinking Water Policy (Resolution No. 88-63, revised as Resolution No. 2006-0008) and Water Quality Control Policy 75-58.¹

Project Owner will, of course, respond to data requests on this issue, but maintains that there is no modification to water supply or applicable LORS that warrants additional analysis.

As an additional point of clarification, the PTA does not indicate that AltaGas Sonoran is no longer interested in the Water Conservation Offset Program set forth in the license. The Project Owner is, however, exploring whether additional offset options may be more effective in conserving water resources and warrant analysis.

TRAFFIC AND TRANSPORTATION

The Project Owner agrees that changes to Condition of Certification TRANS-9 are necessary in light of the proposed modifications to the project. To clarify, the intent of the proposed TRANS-

¹ In addition, Staff's Report mischaracterizes Project Owner's position regarding Water Quality Control Policy 75-58. It is Project Owner's position that water that meets the definition of "brackish" set forth in the Policy is available for industrial use as cooling water and, in fact, Project Owner is proposing to use brackish groundwater for such industrial use.



The Honorable Janea S. Scott, Commissioner and Presiding Member

September 24, 2015

Page 3

9 modifications is to reflect that the Project Owner can only request the delegated authority implement the mitigation measures presented in TRANS-9. The Project Owner looks forward to working with Staff on this issue.

TRANSMISSION SYSTEM ENGINEERING

The Project Owner is confident that, together with Staff, we can develop the additional information necessary to complete the analysis for Transmission System Engineering.

PROJECT SCHEDULE

The Project Owner has reviewed and appreciates the schedule proposed by CEC Staff. At this time, Project Owner has no comments or proposed revisions to Staff's proposed schedule. The Project Owner looks forward to responding to Staff's first round of data requests in October 2015 and Staff's publication of the Preliminary Staff Assessment in December 2015.

CONCLUSION

AltaGas Sonoran anticipates a productive and cooperative exchange with Staff to ensure an expeditious processing and approval of the SEP Petition to Amend.

Respectfully submitted,

Kristen T. Castaños

cc: Christopher J. Doyle, AltaGas Sonoran Energy Inc.
Melissa A. Foster, Stoel Rives LLP
Jerry Salamy, CH2M Hill, Inc.