

DOCKETED

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VIA ELECTRONIC FILING

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

**Re: Sonoran Energy Project (02-AFC-01C)
AltaGas Sonoran Energy Inc.'s Status Report #3**

Dear Commissioners:

Project Owner AltaGas Sonoran Energy Inc. ("Project Owner" or "AltaGas Sonoran") herein submits its third Status Report related to the pending Petition to Amend ("Petition") the Sonoran Energy Project (formerly Blythe Energy Project Phase II) ("SEP").

Since providing a status report to the Committee on December 2, 2015, Project Owner is pleased to report that the Mojave Desert Air Quality Management District ("District") published the Preliminary Determination of Compliance ("PDOC") as expected on December 18, 2015. Project Owner looks forward to receipt of Staff's Preliminary Staff Assessment on or before January 18, 2016, as required by the Committee's October 27, 2015 Scheduling Order.

The Project Owner conducted a field review with Palo Verde Irrigation District ("PVID") on December 11, 2015 to discuss a water offset program based on canal lining. PVID was very receptive to the approach and provided the Project Owner with information to assess canals that PVID believes will provide the greatest reduction in water losses in their supply canal system. The Project Owner is preparing a plan for PVID's review prior to formalizing in the form of a Memorandum of Understanding. Once the plan is finalized, a copy will be submitted to CEC Staff for review.

Since submission of responses to *Staff's Data Requests Set No. One (#1-58)* (November 12, 2015; TN #206606), and in response to a follow-up inquiry from CEC Air Quality Staff related thereto, on December 17, 2015 Project Owner provided revised responses to Data Requests 2 and 4 related to the NO₂/NO_x ratios used in the modeling of the 1-hour NO₂ concentrations. (TN #



The Honorable Janea A. Scott, Presiding Commissioner
The Honorable Karen Douglas, Associate Commissioner
January 4, 2016
Page 2

207068). As of this writing, AltaGas Sonoran knows of three additional outstanding requests from Staff. The first is a figure showing SEP overlaid on a figure from the 2005 BEPII Final Staff Assessment. A draft of this figure has been provided and Staff is reviewing. The second request is clarification on the ammonia offsite consequence analysis methodology, which the Project Owner will be responding to by January 11, 2016. The last request was received on January 4, 2016 for exhaust data necessary to prepare a visual plume analysis, which the Project Owner will provide to Staff as soon as possible.

As previously reported, Project Owner still expects the Western Area Power Administration to issue the Final System Impact Study in January 2016. At this time, Project Owner has no additional information regarding the timing of issuance of Southern California Edison's Affected System Study, but will update Staff regarding its status when such information is available.

AltaGas Sonoran remains confident that the Petition can move swiftly through the CEC process. Moreover, the Project Owner believes that all required filings can be completed on, and in many cases before, the deadlines set forth in the Scheduling Order. To that end, AltaGas Sonoran is looking forward to receipt of Staff's Preliminary Staff Assessment on or before January 18, 2016 and remains hopeful that the Committee can reach a decision on the Petition in the second quarter of 2016.

Respectfully submitted,

Melissa A. Foster
MAF:jmw

cc: Christopher J. Doyle, AltaGas Sonoran Energy Inc.
Jerry Salamy, CH2M Hill