

DOCKETED

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

**Re: Sonoran Energy Project (02-AFC-01C)
AltaGas Sonoran Energy Inc.'s Status Report #7**

Dear Commissioners and Hearing Officer Renaud:

Pursuant to this Committee's May 9, 2016 Scheduling Order, Project Owner AltaGas Sonoran Energy Inc. ("Project Owner" or "AltaGas Sonoran") herein submits its seventh 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 April 15, 2016, the Project Owner participated in the April 21, 2016 Soil and Water Issues Resolution Workshop ("Workshop") at which the Project Owner and Staff discussed water offset proposals, dry cooling, the use of the Blythe Energy Project evaporation ponds and SEP evaporation ponds, as well as issues relating to zero liquid discharge ("ZLD"). At the Workshop, AltaGas Sonoran committed to providing additional information related to water conservation offset options, such as agricultural land fallowing and deficit irrigation; engineering data related to the evaporation pond sizing and usage; and information related to operating experience of ZLD systems. AltaGas Sonoran anticipates submitting this additional data on or before May 20, 2016.

In addition to discussion of the afore-mentioned topics, Project Owner informed Staff at the Workshop that it would no longer pursue the canal-lining program as an option for water offsets as presented in its previously proposed Water Conservation Plan¹. (See Letter to Mary Dyas, dated April 18, 2016 attesting to the same (TN# 211129.) To that end, Staff need no longer

¹ See AltaGas Sonoran's Water Conservation Plan, dated February 24, 2016 (TN# 210520).



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conduct any analysis as to the canal lining proposal. As noted above, AltaGas Sonoran will docket additional information related to fallowing and deficit irrigation as water offset measures.

On April 26, 2016, AltaGas Sonoran docketed the Authorities to Construct issued by the Mojave Desert Air Quality Management District for SEP. AltaGas Sonoran understands that construction of SEP cannot commence under the ATCs alone and, as such, will not commence construction until after the Commission's approval of the Petition.

It is important to note that representatives from the Colorado River Indian Tribes ("CRIT") also attended the April 21 Workshop and provided comments on Cultural Resources and Water Supply issues. Shortly thereafter, on April 29, representatives of CRIT attended a meeting with Commission Staff (Dr. Thomas Gates) and representatives of AltaGas Sonoran. At that meeting, the parties discussed specifics related to CRIT's ceremonial blessing of the SEP site. The Project Owner looks forward to continuing discussions with Dr. Gates and representatives of CRIT.

Finally, AltaGas Sonoran has reviewed the Committee's Scheduling Order, dated May 9, 2016 (TN# 211418) and appreciates the Committee's suggestion to the parties that the dates contained therein should be considered "an outer boundary." While AltaGas Sonoran agrees that Staff's publication of the Final Staff Assessment ("FSA") in late-May would result in a bifurcated FSA with the potential for incomplete analysis in multiple sections, the Project Owner remains optimistic that it is possible for Staff to publish the FSA sooner than late-July 2016. Moreover, the Project Owner will work diligently with Staff to make certain any outstanding information is submitted as soon as possible. That said, however, depending on the release date for the Affected Systems Study, AltaGas Sonoran would support a bifurcated FSA and Evidentiary Hearings, if necessary, as to Transmission System Engineering only, so that all other topics can be resolved sooner rather than later.

AltaGas Sonoran looks forward to moving the Sonoran Energy Project through the Petition process and toward a Final Decision.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Kristen T. Castaños".

Kristen T. Castaños