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| Project Title: | High Desert Power Plant (COMPLIANCE) |
| TN #: | 206534 |
| Document Title: | Applicant's Letter Requesting Agenda Item for Motion and Motion for Appointment of a Committee and Expedited Processing |
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November 6, 2015

Dr. Robert B. Weisenmiller, Chair California Energy Commission 1516 Ninth Street Sacramento, California 95814-5512

SENT VIA E-MAIL

RE: <u>High Desert Power Project (97-AFC-1C): Motion and Request to be Placed on Agenda Item 1 for the November 12, 2015 Business Meeting</u>

Dear Chair Weisenmiller:

On October 30, 2015, High Desert Power Project, LLC ("HDPP") filed its *Petition for Modification to Drought-Proof the High Desert Power Project* ("Petition"), as directed by the Commission's September 10, 2014 order. In the attached *Motion for Appointment of a Committee and Expedited Processing of Petition for Modification Consistent with Executive Order B-29-15* ("Motion"), HDPP requests that the Commission take two actions: (1) assign a Committee to oversee the proceedings for the Petition filed with the Commission on October 30, 2015; and (2) act expeditiously to approve or deny the Petition at or before the Commission's Business Meeting held in February of 2016 to enable HDPP to prepare for the 2016/2017 Water Year.

HDPP requests that the Motion be added to the Agenda and considered at the November 12, 2015 Business Meeting. There are three independent authorities that grant the Commission the authority to hear the Motion on November 12, 2015.

First, Agenda Item 1 for the November 12, 2015 Business Meeting is as follows:

1. ENERGY COMMISSION COMMITTEE APPOINTMENTS. Possible approval of appointments to the Energy Commission's Standing Committees <u>and Siting Case</u> <u>Committees</u>. Contact: Kevin Barker. (5 minutes) (Emphasis added.)

The requested Motion seeking appointment of a Committee falls squarely within the scope of Agenda Item 1 and the Commission's authority to appoint Siting Committees.

Second, on April 1, 2015, Governor Brown issued Executive Order B-29-15 wherein Governor Brown proclaimed a State of Emergency in California due to severe drought conditions, and providing that the Commission "shall expedite the processing of all applications or petitions for amendments to power plant certifications issued by the Energy Commission for the purpose of securing alternate water supply necessary for continued power plant operation." (EO B-29-15, § 25, the "Executive Order".) The Executive Order further provides that Section 1769 of the Commission's Rules is waived for such petitions. Consistent with the Executive Order, the Commission can consider the Motion on November 12th because the Commission is duly authorized to "expedite the processing of...petitions for amendments to power plant certifications issued by the Energy Commission for the purpose of securing alternate water supply necessary for continued power plant operation," as requested in the Petition.

Third, Government Code Section 11125.3(a)(2) allows the Commission to place an action item on the agenda if the Commission determines "that there exists a need to take immediate action and that the need for action came to the attention of the state body subsequent to the agenda being posted as specified in Section 11125." This Motion and the relief requested satisfies the requirements of Government Code Section 11125.3(a)(2).

For the reasons stated above, HDPP respectfully request that the Commission consider the Motion at its November 12, 2015 Business Meeting.

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¹ HDPP believes that the Commission has the option of either (a) hearing the Motion under Agenda Item 1 or (b) publishing notice of an additional item to hear the Motion as allowed by the Government Code. HDPP has no preference as between these two courses of action.

BEFORE THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT COMMISSION OF THE STATE OF CALIFORNIA

| Application for Certification for the | Docket No. 97-AFC-010 |
|---------------------------------------|------------------------|
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MOTION FOR APPOINTMENT OF A COMMITTEE AND EXPEDITED PROCESSING OF PETITION FOR MODIFICATION CONSISTENT WITH EXECUTIVE ORDER B-29-15

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BEFORE THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT COMMISSION OF THE STATE OF CALIFORNIA

Application for Certification for the

Docket No. 97-AFC-01C

HIGH DESERT POWER PLANT

MOTION FOR APPOINTMENT OF A COMMITTEE AND EXPEDITED PROCESSING OF PETITION FOR MODIFICATION CONSISTENT WITH EXECUTIVE ORDER B-29-15

INTRODUCTION

Pursuant to Section 1716.5 of the California Energy Commission's Rules of Practice and Procedure (the "Commission's Rules")², High Desert Power Project, LLC ("HDPP") files this *Motion for Appointment of a Committee and Expedited Processing of Petition for Modification Consistent with Executive Order B-29-15* ("Motion") for the High Desert Power Project ("Facility").

By this Motion, HDPP requests that the Commission (1) assign a Committee to oversee the proceedings for the *Petition for Modification to Drought-Proof the High Desert Power Project* ("Petition"), filed with the Commission on October 30, 2015; and (2) act expeditiously to approve or deny the Petition at or before the Commission's Business Meeting held in February of 2016 to enable HDPP to prepare for the 2016/2017 Water Year, which will begin less than a year from today on October 1, 2016.

BACKGROUND

On October 30, 2015, HDPP filed the Petition to drought proof the Facility, as directed in the Commission's September 10, 2014 Order Approving Petition to Amend (the "September 2014 Order"). The 2015 Petition seeks, among other things, to bring the Commission's certification for the High Desert Power Plant (the "Facility") up to date with events and circumstances unforeseen by the Commission and the Project Owner's predecessor when the

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² 20 C.C.R. § 1716.5. The Commission's Rules of Practice and Procedure Relating to Power Plant Site Certification are set forth in Title 20, Division 2 of the California Code of Regulations.

Facility was licensed in May of 2000, specifically regulatory- and drought-induced shortages of State Water Project Water ("SWP Water") and poor quality and intermittent supply of Recycled Water available to the Facility.

To assure that the Facility will use as much Recycled Water as feasible, the Petition proposes a "Loading Sequence" for use of various water supplies. Under the Loading Sequence, lower quality water supplies will be used first and preferentially such that Recycled Water is the Facility's primary supply and that SWP Water, "Banked SWP Water," and Mojave River Basin "MRB Adjudicated Water," as defined in the Petition, are the Facility's backup supplies for blending. To objectively verify the Facility's commitment to implement the Loading Sequence, HDPP will monitor and report on two important parameters: (1) cooling tower blowdown rate and (2) the levels of chloride in the cooling tower water. Continued access to MRB Adjudicated Water, the highest quality and most reliable of the backup supplies, is essential due to the highly variable supply and quality of Recycled Water and SWP Water.

On April 1, 2015, Governor Brown issued Executive Order B-29-15 ("EO B-29-15"), wherein Governor Brown proclaimed a State of Emergency in California due to severe drought conditions, and providing that the Commission "shall expedite the processing of all applications or petitions for amendments to power plant certifications issued by the Energy Commission for the purpose of securing alternate water supply necessary for continued power plant operation." (EO B-29-15, § 25, the "Executive Order".) The Executive Order further provides that Section 1769 of the Commission's Rules is waived for such petitions. Consistent with the Executive Order, the Petition seeks to ensure that the HDPP will not be required to partially curtail operations or shutdown due to drought-related water supply issues.

The urgency for expedited consideration of the Petition by the Commission is the current limitation on available water supplies for the Facility. Specifically, the Commission's September 2014 Order approving for HDPP's use of groundwater administered by the Mojave Water Agency as the Watermaster, the MRB Adjudicated Water supply, is limited to no more than 2,000 acre-feet ("AF") in Water Year 2014/2015 and no more than 2,000 AF in Water Year 2015/2016. The 2014/2015 Water Year has closed, and the 2015/2016 Water Year will close in less than a year on September 30, 2016. The 2016/2017 Water Year begins on October 1, 2016.

HDPP has access to MRB Adjudicated Water for only a limited time. In order to make appropriate planning decisions and implement water supply plans, HDPP must have a clear path

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forward. Accordingly, the Commission must act expeditiously to approve the Petition "for the purpose of securing alternate water supply necessary for continued power plant operation," consistent with the direction set forth in the Executive Order.

CONCLUSION

The urgency is clear. The Commission must consider the Petition as soon as possible to ensure that the HDPP can plan for continued operation during the drought. Accordingly, HDPP respectfully requests an order (1) assigning a Committee to oversee the proceedings for the Petition and (2) act expeditiously to approve or deny the Petition at or before the Commission's Business Meeting held in February of 2016 to enable HDPP to prepare for the 2016/2017 Water Year which begin less than a year from today on October 1, 2016.

Dated: November 6, 2015 ELLISON, SCHNEIDER & HARRIS L.L.P.

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