

## DOCKETED

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

In the Matter of  
Application for Certification of the  
Puente Power Plant

Docket Number 15-AFC-01

**ROBERT SARVEY'S RESPONSE TO APPLICANT'S OBJECTIONS TO PROPOSED  
SCHEDULE DELAY.**

**THE DELAY WAS CAUSED BY THE APPLICANT.**

On November 4, 2016 the applicant NRG filed an objection to CEC Staff's proposal to issue the FSA on December 8, 2016. As the applicants submission states, "*The Revised Scheduling Order directs that the FSA be issued by November 18, 2016 whereas, staff is now identifying December 8, 2016 as the publication dates.*" NRG ignores its own culpability in the schedule delay due to its filing of two project enhancements which have imposed an additional burden on CEC Staff and the other parties' time.

On August 26, 2016 NRG filed a "Refinement to Transmission Interconnection" (TN 213000/213002) which initiated additional review by CEC Staff of the interconnection. Then, on September 26, 2016 the Applicant filed a "Project Enhancement" proposing removal of the Outfall and Beach Restoration" (TN 213802), which details the demolition of the ocean-side outfall structure and a new point of wastewater disposal. Both of these amendments to the original application have required extensive analysis by staff including reviewing the applicant's most recent data response of 188 pages submitted on November 1 less than a week ago.

**CEC STAFF CURRENTLY HAS A LARGE WORKLOAD.**

Both of these "enhancements" have forced the CEC Staff to spend considerable time and resources during a time when CEC Staff has a large very large workload. CEC Staff is currently preparing for the November 15, 2016 evidentiary hearings for the AES Alamos Project. CEC Staff is also preparing for evidentiary hearings commencing on November 30, 2016 in the

Huntington Beach proceeding. CEC Staff also has pre hearing conferences scheduled for the AES Alamitos Project on November 9 and on November 14 for the Huntington Beach Project.

The APPLICANT HAS NOT PROVIDED THE RESOURCES FOR AN EXPEDITED  
REVIEW.

Until 2003 the CEC did not charge applicants a fee for processing their applications even though processing costs sometimes ran into the millions of dollars. As a result of legislation the CEC now charges applicants processing and compliance fees. Those fees, however, fail to include all costs, which are borne by ratepayers through the CEC budget. In a 2003 report to the Legislature, in an argument favoring no fees, the CEC said the following, *“The Energy Commission believes that the current funding mechanism should remain intact, (i.e. no fees to applicants) that is, funding for the siting program should come from electricity ratepayers. The ratepayers are the key beneficiaries and should provide the funding for this program.”* Fortunately for the ratepayers the legislature disagreed. An analysis by the Energy Commission Staff in 2003 reported that the average cost to process an AFC is \$665,000.<sup>1</sup> Due to the CEC’s AFC corporate welfare policy NRG has not provided the financial resources to cover the costs of the CEC analysis of the AFC much less perform the expedited review of the project enhancements that they desire. NRG has provided only an AFC filing fee for the processing of this application. The fees for filing an AFC are \$274,037 plus \$548 per MW payable at the time of filing so NRG paid approximately \$422,545. That is about \$240,000 less than the cost to process an AFC in 2003. Obviously it costs much more to process an AFC now than it did in 2003. NRG has filed two amendments called project enhancements to the original application. The cost to process these two amendments in an expedited manner to meet NRG’s time constraints leads to substantial overtime cost for CEC staffers and additional consultant costs. Until NRG provides complete reimbursement to ratepayers for expenditures related to these two project enhancements they are in no position to request that ratepayers provide costly expedited treatment of the application and the enhancements.

CONCLUSION

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<sup>1</sup> [http://www.cpr.ca.gov/CPR\\_Report/Issues\\_and\\_Recommendations/Chapter\\_4\\_Infrastructure/INF22.html](http://www.cpr.ca.gov/CPR_Report/Issues_and_Recommendations/Chapter_4_Infrastructure/INF22.html)

CEC Staff should be provided the time they need to issue the FSA. This is a complicated application in an Environmental Justice Community that has long suffered from the deleterious effects of multiple power plants in their community. All impacts need to be thoroughly analyzed and mitigated as appropriate.