

DOCKETED

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Memorandum

Date: November 1, 2016
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From: California Energy Commission – Mike Monasmith
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Subject: MISSION ROCK ENERGY CENTER (15-AFC-02) STATUS REPORT #3

Per the Committee Scheduling Order dated August 12, 2016, staff submits the following status report #3 for the Mission Rock Energy Center (Mission Rock).

ACTIVITIES AND FILINGS COMPRISING DISCOVERY THUS FAR

Data Requests Set 1 was filed on June 24, 2016, and Data Requests Set 1A was filed on July 15, 2016. The applicant's August 1, 2016 objections to several key Set 1 data requests will delay staff's ability to determine impacts in several technical areas. Progress has been made, particularly in the area of Cultural Resources, but much is still unknown and remains to be analyzed.

SECTION STATUS UPDATES

Air Quality

In its April 14, 2016 completeness determination for the Mission Rock permit application, the Ventura County Air Pollution Control District (VCAPCD or District) stated that the completeness determination requires that emission offsets be provided prior to issuance of the Preliminary Determination of Compliance (PDOC). District rule 26.2 requires the applicant to identify (with an option to buy) appropriate emission reduction credits that comply with the rule before the PDOC can be issued. The District is concerned that due to the scarcity of eligible credits, offsets required for this project may be difficult to obtain.

Additionally, on September 15, 2016, the District asked the applicant for clarification on data discrepancies that needed to be resolved before modeling work and other PDOC work could begin and/or be completed. The applicant provided responses to the District on October 17, 2016, and the District is in the process of reviewing this information. The District does not expect to publish a PDOC before the end of this year.

Biological Resources

The Biological Resources discussion held at the August 26, 2016 Data Request Workshop related in part to the applicant's objections to complete a notification of a Lake and Streambed Alteration (LSA). This despite the California Department of Fish and Wildlife (CDFW) letter dated March 22, 2016 which stated, "the Department recommends that a notification (for a LSA) be prepared and submitted to allow staff an opportunity to coordinate and to evaluate the wetland jurisdictional delineation at the Project site to determine if an agreement is needed." The issue was resolved following realization by the applicant that staff was not demanding a complete LSA, but instead hoped to review information contained in the notification package. The notification would help determine potential impacts to fish, wildlife, and plant resources in riparian habitat, from the gen-tie, gas line, and water line. Additional questions were provided by staff during the Data Request Workshop that would substitute for completing an LSA notification to which the applicant provided responses. In addition, staff continues to work with CDFW to obtain language to include in a condition to minimize and mitigate temporary and permanent construction impacts to riparian habitat and identify project-related changes in drainage patterns, runoff, and sedimentation due to construction of the gen-tie, water line, and gas line. Staff is also waiting on the data responses to data request set 1B, filed on October 6, 2016, related to the plant and animal species observed during surveys. Specifically, the plant and animal species observed for each land cover type/vegetation community.

Cultural Resources

On August 1, 2016, applicant filed objections to cultural resources staff's Data Request numbers 30-32, 35-47, 48-52, and 53-58 on the basis that the information was too burdensome and not reasonably available to the applicant. A data request issues resolution workshop was held on August 26, 2016, but no mutual agreement was reached. Staff and applicant agreed that a subsequent workshop would be productive, which took place on September 23, 2016. During the second workshop, staff and the applicant clarified several points. Staff agreed to withdraw the previously submitted cultural resources Set 1 data requests, and on October 4, 2016 submit Data Request No. 115, which included the original Cultural Resources data requests from Set 1. Along with Data Request No. 115, staff provided a comprehensive guidance document to assist the applicant in developing the first necessary component of completing Data Request No. 115. This first research design component was submitted by the applicant on October 28, 2016, and will result in an inventory of potential historic resources that will enable staff to determine project impacts to the built environment. The applicant asked for 90 days to complete the remaining requirements of Data Request No. 115.

Hazardous Materials Management

Staff has reviewed the applicant's responses to Data Requests #108 through 112 that requested information including Hazardous Materials Security plans and information on the Lithium-Ion Battery Units. The applicant has requested more time to reply to DR No. 109 (to finalize the Off-site Consequences Analysis). Another Data Response (No. 112) which will require further clarification and discussion at a Data Response Workshop involves the project's 20-container battery array, and appropriate levels of protection measures necessary to prevent any possible damage from floodwater exposure. Staff seeks greater details on potential floodwater impacts to the battery array, and if normal

manufacturer-provided battery containers would be built to withstand exposure to flood waters in the event of a breach of the projects site.

Soil and Water Resources

The Soil and Water discussions at the August 26, 2016 Data Request Workshop focused on numerous objections contained in the applicant's August 1, 2016 filing for key areas fundamental to understanding project water impacts, including the official Federal Emergency Management Agency (FEMA) 100-year flood map updates and the time anticipated to obtain FEMA approval to proceed with floodplain development. Other objections were filed for key information related to flooding impacts from the adjacent Santa Clara River, including base flood elevations and earthwork profiles (specifically related to the applicant's plans to raise the site by as much as 10 feet in some areas). The applicant did provide some details related to a raised foundation, drainage structures, and slope protection measures in their October 3, 2016 Responses to Data Requests Set 1 and Set 1A. However, key questions remain unanswered such as sediment transport during flooding and cumulative impacts during flooding to surrounding properties due to a raised foundation. April 5, 2016 comments from the Ventura County Watershed Protection Agency (VCWPA) encouraged the applicant to, "...*plan and develop the site with flood protection as a high design priority.*" These and other comments from VCWPA further document the need for details on specific issues like sediment transport and flooding impacts.

Another fundamental water component is the reclaimed water to be supplied to the project by the Limoneira Corporation. Title 22 reclaimed water from Limoneira would be supplied to Mission Rock from its distribution line through a new 1.7 mile pipeline. Questions remain regarding recycled water transfer requirements by the Los Angeles Regional Water Quality Control Board (LARWQCB), which issues permits for individual water recycling projects. Attempts by staff to better understand the dynamics of the Limoneira-Calpine reclaimed water transfer (Data Requests No's 79-81) were initially objected to by the applicant in their August 1, 2016 filing, and then during attempted discussions at the first data request workshop on August 26, 2016. Staff continues to investigate the appropriate and legal use of Limoneira water by Calpine, especially in light of no identified back-up water supply for Mission Rock's industrial water requirements. On October 17, 2016, the City Council of Santa Paula passed Resolution 7007 officially opposing the Mission Rock project. Among the specific provisions of the resolution was city refusal to provide the project with either reclaimed water (from their wastewater treatment facility) or potable water (currently available on the project site via a 1-inch water line). Staff will investigate the practical ramifications of Resolution 7007 (which also contained language encouraging Limoneira Corporation to withdraw from its agreement with Calpine to provide reclaimed water and transmission line access in their rights-of-way).

Regarding the disposal of industrial wastewater, the applicant has yet to provide details requested in Data Requests Set 1 (No.'s 83 and 84) on plans for its removal and processing off-site, or any alternative plans for appropriately handling and disposing of this project element.

Traffic and Transportation

Hauling 120,000 cubic yards of import fill required to elevate the Mission Rock site by as much as 10 feet would be extensive, requiring 6,667 truck trips, with a peak of 100 trips per day. Fill hauling would occur 10 hours per day and 22 days per month over the 5-month period. For its Data Responses Set 1, the applicant is in the process of preparing an updated construction traffic analysis to account for the revised import fill truck trip schedule, but as of this status report, that information remains outstanding. Staff is also investigating appropriate mitigation for the anticipated impacts to the local private roads required to access the Mission Rock site. On September 27, 2016, staff sought input from the Mission Rock Road Owners Association for any applicable information pertaining to the use of private roads to get to the project site that the Association maintains, including Pinkerton, Mission Rock, and Shell roads. No response from the Association has been received to date.

Transmission System Engineering

One reason the AFC, which was originally submitted December 30, 2015, was not found to be data complete until May 17, 2016, was the late submission of a completed System Impact Study from the California Independent System Operator (California ISO). (The other reason was the outstanding "Letter of Completeness" from the District.) California ISO's review of the transmission impacts of the Mission Rock project will result in a Phase I downstream impact study to be released in January 2017, which will determine how the interconnection and operation of the proposed project would likely impact the transmission system and whether mitigation of downstream impacts would be required.

Staff's attempts to gain data on expansion details at the first point of interconnection (Southern California Edison's Santa Clara Substation) and potential downstream impacts were objected to by the applicant, citing release of the Phase I California ISO study. Staff looks forward to receiving detailed responses to Set 1B, and specifics for the 37 poles and H-frame structures that constitute the gen-tie line, including construction workforce requirements, right-of-way dimensions (for all linear features) and transmission pole assembly specifics. Additional responses anticipated relate to lay-down areas and linear details, as well as impacts that road construction and pole elevation in the right-of-way could have on Biological Resources, Cultural Resources, and Visual Resources.

Worker Safety/Fire Protection

Staff met with the Santa Paula Fire Department (SPFD) on Oct. 13, 2016 and learned that SPFD has been the first responder to emergency calls in the Mission Rock area, despite the area being under the jurisdiction of the Ventura County Fire Department (VCFD). Automatic mutual aid between the two fire departments, the fact that SPFD Station 82 has the shortest response time to the proposed power plant site, and the fact that the nearest VCFD station to Mission Rock is only staffed 50 percent of the time, all contribute to the SPFD being "first in" to this area during emergency situations.

OTHER COORDINATION WITH AGENCIES

Staff met with Ventura County Environmental Health Division Hazardous Materials Program, Technical Service Program, and Land Use/Water Services personnel on

October 13, 2016 and learned valuable perspectives from Ventura County on the proposed power plant. Staff also met with the Ventura County Sheriff's Office on Oct. 14, 2016 regarding security issues and the impact the proposed power plant could have on the nearby Todd Road Jail (~900 inmates).

DISCOVERY EXTENSION / REVISED SCHEDULE REQUEST

In general there is a need for more detailed information and data that will enable an analysis necessary to draw conclusions on project impacts. Staff chose to highlight the above subject areas due to their importance in the over-all project assessment, but also due to the fact they reflect many public and agency comments received on this project to date. With the current schedule, staff's ability to ensure that the applicant incorporates into the project all measures that can be shown to be feasible, reasonably necessary, and available to substantially lessen or avoid the project's significant adverse environmental effects cannot be adequately made at this time. Moreover, the complexity of the analysis has increased due to several factors, including staff's agreement to review and incorporate Ventura County Planning Division Resource Management Agency's CEQA environmental thresholds of significance for potential Mission Rock project impacts.

Another component that over half of the Preliminary Staff Assessment (PSA) section analyses are assessing is Environmental Justice (for which there will also be a separate, stand-alone section in the PSA and Final Staff Assessment (FSA). Given this, and per the information above, staff appeals to the Committee to consider granting an extension of the Discovery period from November 17, 2016 (as indicated in the original Scheduling Order) to January 2, 2017. If the Committee agrees, staff would support the scheduling of a status conference in mid-November 2016 to discuss all of the above information.

This additional discovery time requested by staff reflects the discovery time lost as a result of the applicant requesting many data response due date extensions which staff supported, but only under the condition that the applicant would later support a slip in the discovery schedule for every extension request. Additional discovery time would allow the applicant and other parties the ability to complete and submit outstanding data, information, and reports. With a PDOC from the VCAPCD and a Phase I study from California ISO, both anticipated in early to mid-January, extra time for analysis would enable staff to incorporate the findings of these agency studies into the PSA. Accordingly, we propose a PSA publication date of February 3, 2017. Please review the suggested revised schedule that follows.

ENERGY COMMISSION STAFF'S SCHEDULE REVISION SUGGESTIONS MISSION ROCK ENERGY CENTER (15-AFC-02)

ACTIVITY	Suggested Date	Scheduling Order Date
Data Requests, Set 1	06/24/16	06/24/16
Data Requests, Set 1A (agreement to file Data Responses on 9/1/16)	07/15/16	N/A

Informational Hearing, in Santa Paula	07/28/16	07/28/16
Applicant's Objections to Data Requests, Set 1	08/01/16	N/A
Staff files Request for Time Extension (to respond to 8/1/16 objection letter filed by applicant)	08/26/16	N/A
Data Request and Issues Resolution Workshop, in Sacramento	08/26/16	N/A
Status Report #1	09/01/16	09/01/16
Cultural Resources Data Request Workshop, in Sacramento	09/23/16	N/A
Status Report #2	10/03/16	10/03/16
Data Responses Set 1 and Set 1A deadline	10/03/16	09/01/16
Data Request No. 115 and Guidance document filing	10/04/16	N/A
Data Request Set 1B (Biology, Project Description and Visual) filing	10/06/16	N/A
Research Design (first part Data Response No. 115) filed by applicant	10/28/16	N/A
Data Responses Set 1B filing due by applicant	11/7/16	N/A
Data Response and Issues Resolution Workshop, in Santa Paula	Mid-November, 2016	Mid-September, 2016
Data Requests Set 2 (if necessary)	Early-November, 2016	TBD
Committee Status Conference	Mid-November, 2016	10/19/16
Data Responses, Set 2 (if necessary)	Early-December, 2016	TBD
End of Discovery	01/02/17	11/14/16
PSA Publication	02/03/17	Mid-November, 2016
PSA Workshop, in Santa Paula	Late-February, 2017	Late-December, 2016
FSA Publication	Early-March, 2017	Mid-January, 2017

