

DOCKETED

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Project Title:	Palmdale Energy Project (Formerly Palmdale Hybrid Power Plant) - Compliance
TN #:	206378
Document Title:	Applicant's Responses to Socioeconomic and Alternatives Inquiry
Description:	responses to informal questions from Energy Commission staff about Palmdale Energy Project for Socioeconomics and Alternatives
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From: Scott Galati <sgalati@dayzenllc.com>
Sent: Thursday, October 15, 2015 2:08 PM
To: Veerkamp, Eric@Energy
Cc: Thomas Johns
Subject: Responses To Informal Questions

Eric,

Here are the questions and responses to the informal questions you forwarded to me,

SOCIOECONOMICS

The questions are about the estimated economic impacts (Table 6.2-1, pg. 6.2-2) from the proposed PHPP PTA (Palmdale Energy Project).

1. What dollar year was used in the economic impact estimates?

Response: Table 6.2-1 was created by scaling the information provided in the original AFC and therefore the dollar year is the same as that assumed for the original AFC.

2. What geographic area was used in the IMPLAN model? Were the same geographies that were used in the licensed PHPP (Los Angeles, Kern, and San Bernardino counties) used in the PTA?

Response: An IMPLAN model was not used as the data in Table 6.2-1 was derived by scaling the data provided in the original AFC. Because the data was scaled from the original AFC data it represents the same geographies that were used for the analysis in the original AFC.

ALTERNATIVES

1. Does the applicant / project owner have a Power Purchase Agreement?

Response: Palmdale does not currently have a Power Purchase Agreement (PPA). As the Commission is aware, a PPA is not a prerequisite for amending the PEP License. As described in Section 1.5 of the Revised Petition to Amend, the PEP has been designed to meet the future need for flexible capacity for renewable integration. California has adopted renewable portfolio standards for electric utilities requiring that 33 percent of retail electric sales be served by renewable energy sources by 2020 and 50 percent by 2030. The California Independent System Operator (CAISO) studies show that to reliably operate the grid with this amount of renewable generation, the CAISO will have an increased need for resources that can ramp up and down quickly and start and shut down potentially multiple times per day, *i.e.*, flexible capacity. We anticipate that that California utilities will begin a procurement process in 2016 to meet this need.

2. Does the applicant / project owner plan to submit a petition for an extension of their existing license (which expires August 2016)?

Response: Palmdale Energy is requesting to have the Commission consider its amendment to the existing License and extension at the same time and therefore will not be filing a separate petition to extend the existing license.



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