California Energy Commission

CPV Sentinel Energy Project
Application for Certification
07-AFC-3

Commissioner James D. Boyd – Presiding Member
Commissioner Jackalyne Pfannenstiel – Associate Member
Ken Celli – Hearing Officer
Mike Monasmith – Public Adviser
Caryn Holmes – Staff Counsel
Bill Pfanner – Project Manager

October 5, 2007
Purpose of Siting Process

"...to ensure that a reliable supply of electrical energy is maintained at a level consistent with the need for such energy, for protection of public health and safety, for promotion of the general welfare, and for environmental quality protection."

Public Resources Code 25001
Energy Commission’s Role

- California Energy Commission (CEC) permitting authority
  - Thermal power plants ≥ 50 megawatts
  - Related facilities
    - electric transmission lines
    - water supply pipelines
    - natural gas pipelines
    - waste disposal facilities
    - access roads

- Lead state agency for California Environmental Quality Act (CEQA)
Overview of Three-Step Licensing Process

1. Data Adequacy
   - Minimum requirements to accept application

2. Staff Discovery and Analyses
   - Data Requests
   - Issues Identification
   - Public Workshops
   - Preliminary and Final Staff Assessments (PSA and FSA)

3. Committee Evidentiary Hearing and Decision
   - Evidentiary hearings based on FSA and other information
   - Committee produces Presiding Member’s Proposed Decision (PMPD)
   - PMPD goes before full Commission for decision
Staff Discovery and Analysis Process

- Intervenors → Public Adviser
- CEC Staff
  - Staff Assessment/Testimony
- Applicant
- Public
- Local, State, & Federal Agencies

* The Public Adviser provides assistance on how to participate in the CEC’s public process.
Staff Discovery and Analysis Process

- Determine if proposal complies with Laws, Ordinances, Regulations, Standards (LORS)
- Conduct engineering and environmental analysis
  - identify issues
  - evaluate alternatives
  - identify mitigation measures
  - recommend conditions of certification
- Facilitate public and agency participation
- Staff products: Preliminary Staff Assessment (PSA) and Final Staff Assessment (FSA)
- Make recommendations to the Committee
Evidentiary Hearing & Decision Process

Intervenor testimony

Public Adviser

Public comment

Committee

Proposed Decision

Full Commission

Final Decision

Staff testimony

Applicant testimony

Local, state, & federal agencies comment
Evidentiary Hearing & Decision Process

- Committee conducts hearings on all information
  - Issues Presiding Member’s Proposed Decision (PMPD)
  - PMPD contains findings relating to
    - environmental impacts, public health, engineering
    - project’s compliance with LORS
    - recommends conditions of certification
    - recommends whether or not to approve the project

- Full Commission makes decision

- Energy Commission monitors compliance with all conditions of certification, for the life of the project
  - includes facility closure
Local, State and Federal Coordination

- Staff works closely with local, state and federal agencies, for example:
  - Local/Regional
    - City of Desert Hot Springs – City of Palm Springs
    - South Coast Air Quality Management District (SCAQMD)
    - Colorado River Basin Regional Water Quality Control Board
    - Metropolitan Water District
    - Mission Springs Water District
    - Desert Water Agency
    - Coachella Valley Water District
  - State
    - Cal. Air Resources Board
    - Cal. State Office of Historic Preservation
    - Cal. Department of Fish & Game
    - State Water Resources Control Board
  - Federal
    - US Environmental Protection Agency
    - US Fish & Wildlife Service
    - US Army Corps of Engineers
A Bit About the Public Process

- Open Public Process
  - Workshops and Hearings noticed at least 10 days in advance
  - Mailing lists
  - List Server: www.energy.ca.gov/listservers

- Documents are available for public review at:
  - the City of Palm Springs Public Library, Riverside County Public Library System (Desert Hot Springs), (also public libraries in Eureka, San Francisco, Fresno, Los Angeles and San Diego)
  - Energy Commission Library in Sacramento
  - Energy Commission Web site: www.energy.ca.gov/sitingcases/sentinel
  - Docket Unit at the Energy Commission
    1516 9th Street, MS - 4
    Sacramento, CA 95814-5512
Ways You May Participate

- Submit written comments or statements to the Commission
- Provide oral comments at public meetings
- Become a formal intervenor (Contact Public Advisor’s Office - Mike Monasmith)
- Provide written comments on the PSA, FSA, and PMPD
5 Easy Steps to Subscribe:

Go to Web Address:
www.energy.ca.gov/listservers

Enter Email Address

✓ Subscribe

✓ Sentinel

Send Subscription
Energy Commission’s Website for Sentinel

**Project Proceeding:**
Notices & Announcements

Documents & Reports
- Figures & Maps
- Commission’s Documents
- Applicant’s Documents
- Other Interested Government Agencies’ Documents
- Intervenors’ & Others’ Documents

**Participation:**
Public Adviser’s Office
Guide to Public Participation in Siting Cases
Overview of Siting Process
Title 20 CA Code of Regs
Acronyms Used in Siting Cases
Staff's Issues Identification Report

- **Purpose**
  - Inform participants of potential issues
  - Early focus on important topics

- **Criteria**
  - Significant impacts that may be difficult to mitigate
  - Non-compliance with LORS
  - Conflicts between parties about appropriate findings or conditions of certification for Commission decision that could delay schedule
WATER AND SOIL RESOURCES

- Project proposes using high quality groundwater from onsite wells for power plant cooling. Peak water usage is expected to be about 1,100 acre-feet per year (AFY) with an average use of 550 AFY, which may not conform with the Energy Commission's water policy, and may create significant adverse environmental impacts.

- The groundwater sub-basin the project will be drawing water from is in a state of overdraft by 9,000 to 10,000 AFY.

- Applicant proposes mitigating the use of the groundwater by purchasing recycled water from the Mission Springs Water District for groundwater recharge and by paying for State Water Project (SWP) water through the Desert Water Agency. However, all water sources are already earmarked for groundwater replenishment (including recycled water from Mission Springs Water District).

- SWP water available to recharge the sub-basin is likely to be curtailed by up to 30% due to a recent court ruling, further reducing the amount of water available for groundwater recharge.
AIR QUALITY
- The project faces challenges in securing adequate criteria air pollutant mitigation. The project is located in the South Coast Air Quality Management District (SCAQMD) where emission reduction credits and RECLAIM Trading Credits (RTCs) are scarce. Since CPV Sentinel has not yet purchased sufficient ERCs (for VOC, SOx or PM10 emissions) or RTCs (for NOx emissions) necessary to mitigate the project’s impacts, it will need to rely on SCAQMD rule 1309.1 to secure the balance of the mitigation (for SOx and PM10 emissions) for this project.

SCAQMD Rule 1309.1 (Priority Reserve)
- Project might not be eligible to access the SCAQMD Priority Reserve, Rule 1309.1 for accessing the Priority Reserve. Staff is currently working with the SCAQMD and CPV Sentinel to better understand what evidence or modifications might be necessary for the proposed project to demonstrate compliance.

Nitrogen Oxides (NOx) Mitigation & the SCAQMD RECLAIM Program
- Project will participate in the SCAQMD RECLAIM program for NOx (Regulation XX). Staff recommends that CPV Sentinel provide proof that it has obtained sufficient NOx RECLAIM trading credits (RTCs) for the first year of operation through either option contracts or outright ownership, by the time of the Evidentiary Hearings.

Volatile Organic Compounds (VOC)
- Based on the offsetting requirements of SCAQMD Regulation XIII, the applicant must offset the project’s VOC emissions with ERCs. The applicant has not yet obtained sufficient VOC ERCs either through option contracts or outright ownership nor provided a schedule for obtaining these offsets.
## Staff's Proposed Schedule

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
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<tbody>
<tr>
<td>25-Jun-07</td>
<td>Application for Certification (AFC) filed by Applicant</td>
</tr>
<tr>
<td>29-Aug-07</td>
<td>Decision on data adequacy at Commission business meeting</td>
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<tr>
<td>27-Sep-07</td>
<td>Staff files Issue Identification Report</td>
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<tr>
<td>4-Oct-07</td>
<td>Staff files data requests (round1)</td>
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<tr>
<td>5-Oct-07</td>
<td>Information hearing and site visit</td>
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<tr>
<td>2-Nov-07</td>
<td>Applicant provides data request responses (round 1)</td>
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<tr>
<td>15-Nov-07</td>
<td>Data response and issue resolution workshop</td>
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<tr>
<td>November, 2007</td>
<td>SCAQMD's Preliminary Determination of Compliance</td>
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<tr>
<td>14-Dec-07</td>
<td>Staff files data requests, (round 2, if necessary)</td>
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<tr>
<td>14-Jan-08</td>
<td>Applicant provides data responses (round 2, if necessary)</td>
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<tr>
<td>28-Jan-08</td>
<td>Data response and issue resolution workshop (round 2, if necessary)</td>
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<tr>
<td>12-Mar-08</td>
<td>Preliminary Staff Assessment filed</td>
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<td>26-Mar-08</td>
<td>Preliminary Staff Assessment workshops</td>
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<tr>
<td>April, 2008</td>
<td>Local, state, and federal agency final determinations (e.g., Final Determination of</td>
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<td>Compliance from SCAQMD)</td>
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<tr>
<td>6-Jun-08</td>
<td>Final Staff Assessment filed</td>
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<tr>
<td>Late June, 2008*</td>
<td>Prehearing Conference</td>
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<td>July, 2008*</td>
<td>Evidentiary hearings</td>
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<tr>
<td>September, 2008*</td>
<td>Presiding Member's Proposed Decision (PMPD)</td>
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<td>October, 2008*</td>
<td>Committee Conference on PMPD</td>
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<tr>
<td>November, 2008*</td>
<td>Energy Commission Hearing--Final Decision</td>
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</tbody>
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*Scheduled by the Committee assigned to CPV Sentinel
Staff’s Proposed Schedule

- Meeting this schedule will depend on:
  - Applicant’s timely response to staff’s data requests.
  - Timing of the SCAQMD filing of the Determination of Compliance
  - Determinations of other local, state, and federal agencies
  - Other factors not yet known
Contacts

- **California Energy Commission (CEC)**
  - **Bill Pfanner - Project Manager**
    - (916) 654-4206, email: bpfanner@energy.state.ca.us
    - Web page: www.energy.ca.gov/sitingcases/sentinel
  - **Ken Celli, Commission’s Hearing Officer**
    - (916) 651-8893, email: kcelli@energy.state.ca.us
  - **Mike Monasmith, Public Adviser**
    - (916) 654-4489 or (800) 822-6228
    - email: pao@energy.state.ca.us

- **CPV Sentinel LLC – CPV Sentinel Energy Project**
  - **Mark Turner - Director**
    - (415) 293-1463, email: mturner@cpv.com
  - **Dale Shileikis – AFC Project Manager**
    - (415) 896-5858, email: dale_shileikis@urscorp.com
Questions?