

# California Energy Commission

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

<b>DOCKET</b> 07-AFC-3	
DATE	OCT 05 2007
RECD.	OCT 09 2007

**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

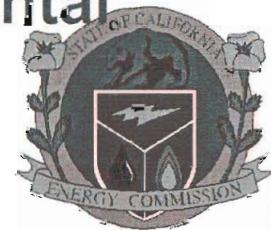
“ ...to ensure that a reliable supply of electrical energy is maintained at a level consistent with the need for such energy, for protection of public health and safety, for promotion of the general welfare, and for environmental quality protection.”

Public Resources Code 25001



# Energy Commission's Role

- **California Energy Commission (CEC) permitting authority**
  - Thermal power plants  $\geq$  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

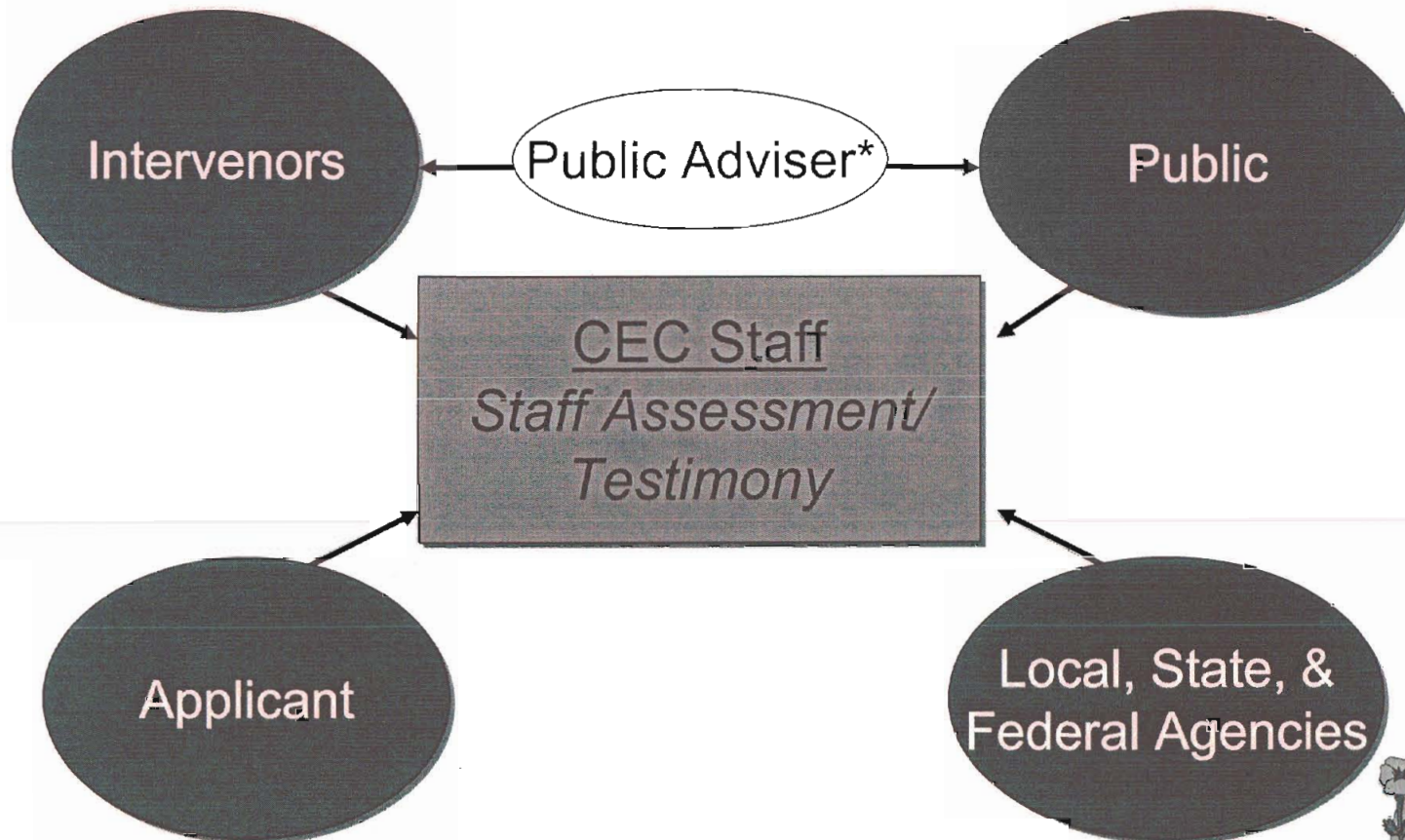
- Data Requests
- Issues Identification
- Public Workshops
- Preliminary and Final Staff Assessments (PSA and FSA)

## 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

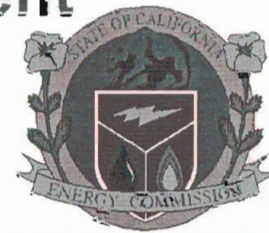


\* The Public Adviser provides assistance on how to participate in the CEC's public process.

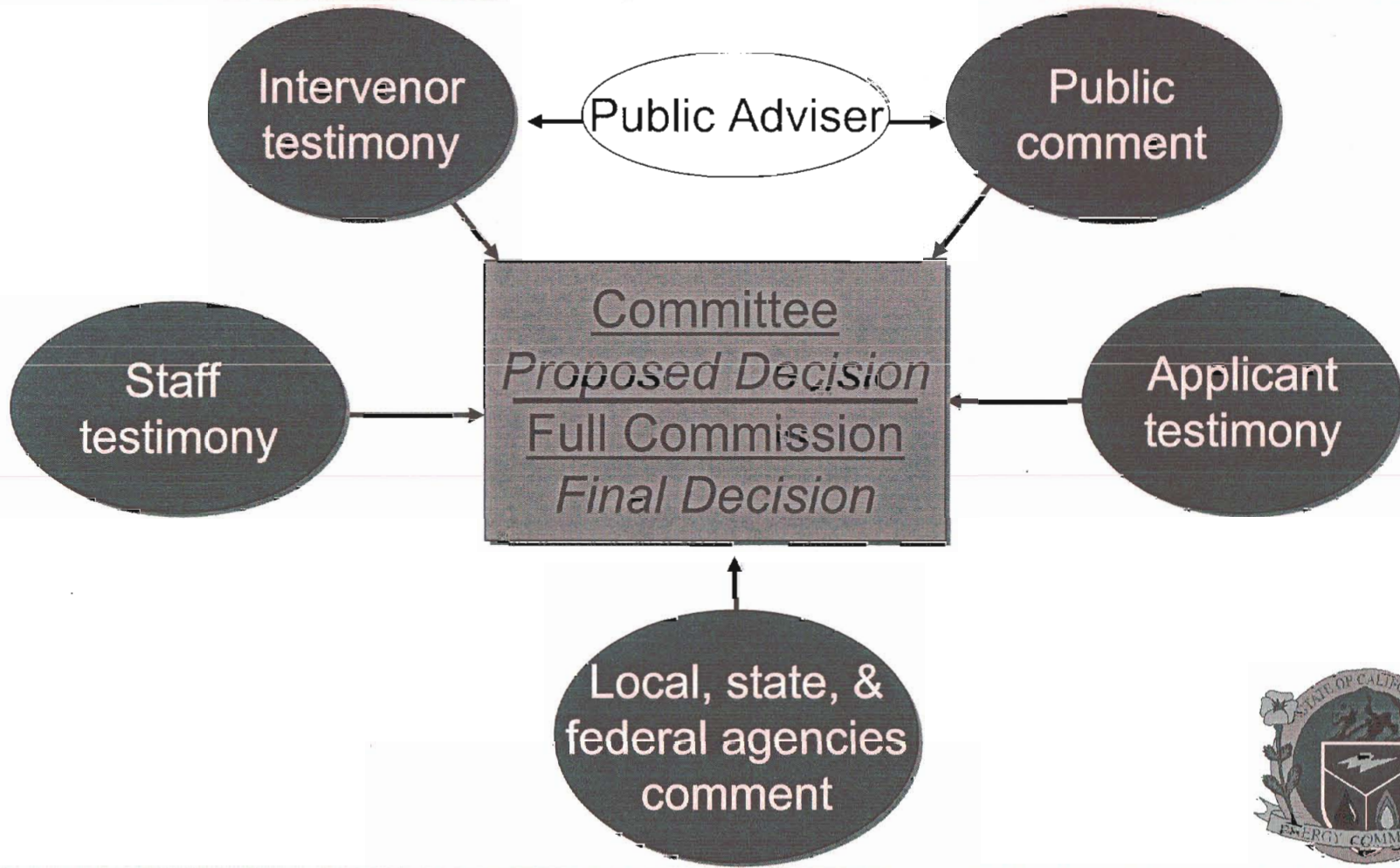


# Staff Discovery and Analysis Process

- 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



# 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
    - Riverside County – Public Health Department, Waste Management, Public Works, Planning, Building, Health, Fire, Sanitation.
    - 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



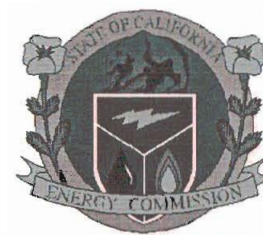
# A Bit About the Public Process

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



# List Server

## 5 Easy Steps to Subscribe:

Go to Web Address:  
[www.energy.ca.gov/listservers](http://www.energy.ca.gov/listservers)

Enter Email Address

√- Subscribe

√- Sentinel

Send Subscription

Energy Commission's Meeting List / List Servers

Welcome to the **California Energy Commission**

[WWW.ENERGY.CA.GOV](http://WWW.ENERGY.CA.GOV) / [LISTSERVERS](#) /

**List Servers (Automated E-mail Groups)**  
 Hosted by the California Energy Commission

In general, list servers are automated e-mail systems where a single e-mail sent to a list's main address can be automatically distributed to an entire group of subscribers. The Commission hosts a number of list servers that are used to distribute information on various topics about Commission programs, workshops, etc. The Commission's lists are not used for general discussion of these topic areas. Most items below are linked to their respective sections for more information about those program areas.

You can subscribe below by entering your e-mail address then click on subscribe and click the box for the list(s) you wish to subscribe to. Click the unsubscribe button and the list name(s) to delete your name from any list. Please make sure you type your e-mail address correctly.

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Check the lists you are interested in:

<p><b>POWER PLANT LICENSING</b></p>	<p><b>Siting Division General List</b>                  General licensing info, for projects where they are data adequate, and for compliance proceedings on Commission-approved projects that are on-line and producing power.</p>	<p><b>COMMISSION GENERAL LISTS</b></p>	<p><a href="#">agendas</a> (Commission Business Meeting Agendas)</p> <p><a href="#">bioenergy</a> (Bioenergy Action Plan)</p> <p><a href="#">climatchange</a> (Climate Change Program)</p> <p><a href="#">contingency</a> (Energy Emergency Contingency Planning)</p> <p><a href="#">education</a> (Energy Education / Energy Quest Website)</p> <p><a href="#">energypolicy</a> (Integrated Energy Policy Report)</p> <p><a href="#">export</a> (Energy Export Program)</p> <p><a href="#">newreleases</a> (Commission News Releases)</p> <p><a href="#">opportunity</a> (RFPs, contracts, funding announcements)</p>
<p>(List of Current Licensing Cases)</p> <p>PLEASE DO NOT subscribe to these lists unless you are interested in information about these specific power plant licensing cases.</p>		<p><b>PROJECTS UNDER REVIEW</b></p> <p>List Server is created when a project is "data adequate."</p> <p><a href="#">avenal</a> (Avenal Power Project)</p> <p><a href="#">bullard</a> (EIF Fresno/Bullard Project)</p> <p><a href="#">cotusa</a> (CVP Cotusa Project)</p> <p><a href="#">eastshore</a> (Eastshore Project)</p>	

<http://www.energy.ca.gov/listservers/> (1 of 1) 2/19/2006 10:19:22 AM



# 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

CPV Sentinel Energy Project - Docket #07-AFC-03

Welcome to the **California Energy Commission**

WWW.ENERGY.CA.GOV / SITINGCASES / SENTINEL

### CPV Sentinel Energy Project Power Plant Licensing Case

Commission Homepage  
Siting Cases Main Page

**Project Information**  
Project Fact Sheet

**Project Proceeding**  
Notices & Announcements (Updated: 9/14/07)  
Documents and Reports (Updated: 9/18/07)  
Docket Log 07-AFC-03  
Proof of Service List (PDF file)

**Participation**  
Public Adviser's Office  
Guide to Public Participation in Siting Cases  
Commission Siting Division  
Overview of Siting Process  
Title 20 Calif. Code of Regulations  
Acronyms Used in Siting Cases

**List Server**

To subscribe to this proceeding's e-mail ListServer, enter your e-mail address completely:

Note: Your e-mail address must be exact and complete. Incorrect or incomplete addresses will not work. You will receive a welcoming e-mail to confirm your subscription.

Docket Number: 07-AFC-03 (Application For Certification)

Committee Overseeing This Case:  
James D Boyd, Commissioner  
Presiding Commissioner  
Jackalynne Pfannenstiel, Chairman  
Associate Commissioner  
Hearing Officer: Kenneth Celli

**ANNOUNCEMENTS**  
[Notice of Public Site Visit and Informational Hearing](#)  
October 5, 2007

[Also see our Energy Calendar](#)

**Key Dates**

- August 29, 2007 - Commission accepts Application as complete and "data adequate."
- June 26, 2007 - Application for Certification (AFC) filed with California Energy Commission

**General Description of Project**

The CPV Sentinel Energy Project is a proposed nominally rated 850-megawatt (MW) electrical generating facility. The power plant site encompasses 37 acres of land situated within unincorporated Riverside County, California.

The proposed project consists of eight natural gas-fired General Electric (GE) LM5100 combustion turbine generators (CTGs) operating in simple cycle mode. The project will supply quick-start peaking capacity, energy, and ancillary services into the California Independent System Operator's (CAISO) Los Angeles Basin Local Capacity Requirement (LCR) Area, which has been identified as an area in need of additional peaking capacity to meet resource adequacy requirements and ensure grid reliability.

The proposed project will be constructed, commissioned, owned, and operated by CPV Sentinel, LLC (CPV Sentinel). CPV Sentinel anticipates selling the capacity, energy, and ancillary services under long-term contract to one or more load serving entities. CPV Sentinel has a power purchase agreement with Southern California Edison (SCE) for five of the units and anticipates securing an agreement to sell the capacity, energy, and ancillary services under long-term contract to one or more load-serving entities for the remaining three units.

**Energy Commission Facility Certification Process**

The Energy Commission's facility certification process carefully examines public health and safety, environmental impacts and engineering aspects of proposed power plants and all related facilities such as electric transmission lines, natural gas pipelines, etc. The Energy Commission's responsibilities are similar to those of a lead agency under the California Environmental Quality Act (CEQA).

For More Information, Please Contact:

http://www.energy.ca.gov/sitingcases/sentinel/index.html (1 of 2) 9/22/07 8:50:22 AM



# 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



## POTENTIAL ISSUES IDENTIFIED BY STAFF

### 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.



## POTENTIAL ISSUES IDENTIFIED BY STAFF

### 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

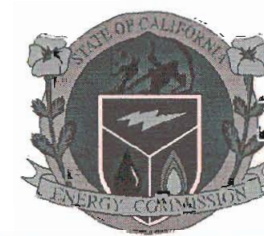
25-Jun-07	Application for Certification (AFC) filed by Applicant
29-Aug-07	Decision on data adequacy at Commission business meeting
27-Sep-07	Staff files Issue Identification Report
4-Oct-07	Staff files data requests (round1)
5-Oct-07	Information hearing and site visit
2-Nov-07	Applicant provides data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

\*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](mailto:bpfanner@energy.state.ca.us)
- Web page: [www.energy.ca.gov/sitingcases/sentinel](http://www.energy.ca.gov/sitingcases/sentinel)

### – Ken Celli, Commission's Hearing Officer

- (916) 651-8893, email: [kcelli@energy.state.ca.us](mailto:kcelli@energy.state.ca.us)

### – Mike Monasmith, Public Adviser

- (916) 654-4489 or (800) 822-6228
- email: [pao@energy.state.ca.us](mailto:pao@energy.state.ca.us)

## ■ CPV Sentinel LLC – CPV Sentinel Energy Project

### – Mark Turner – Director

- (415) 293-1463, email: [mturner@cpv.com](mailto:mturner@cpv.com)

### – Dale Shileikis – AFC Project Manager

- (415) 896-5858, email: [dale\\_shileikis@urscorp.com](mailto:dale_shileikis@urscorp.com)



# California Energy Commission

**Questions?**

