

# Memorandum

Date: February 1, 2008  
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To: Vice Chair James Boyd, Presiding Member  
 Commission Chairman, Jackalyn Pfannenstiel, Associate Member

From: California Energy Commission - Bill Pfanner  
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*Bill Pfanner*

<b>DOCKET</b>	
07-AFC-3	
DATE	FEB 01 2008
RECD.	FEB 01 2008

Subject: **CPV Sentinel Energy Project (07-AFC-3) STATUS REPORT 2**

Pursuant to the Committee Scheduling Order dated October 15, 2007, the following is staffs Status Report 2 for the proposed CPV Sentinel Energy Project (CPV Sentinel).

## Current Project Status

- On November 5, 2007 – The applicant filed its partial Responses to Data Request Set #1 (Data Requests # 1 thru 61).
- On January 22, 2008, the applicant submitted responses to Data Requests #35, 38, 43, 50, 60 and 62 through 65.
- On January 24, 2008, staff conducted a public Issues Resolution Workshop in Sacramento to discuss Data Requests #35, 38, 43, 50, 60 and 62 through 65 and to discuss staff's letter to the applicant of December 21, 2007. The applicant identified that they are working on a revised water plan for the project, which will be submitted to the Energy Commission in February 2008.

## Other Coordination Activities

Air Quality – At this time, the air quality issues identified in the Issues Identification Report are being addressed jointly by staff, the applicant and the local air district, South Coast Air Quality Management District (SCAQMD). The SCAQMD is expected to issue the Preliminary Determination of Compliance (PDOC) in early spring 2008.

## Project Issues

On November 27, 2007 the CPV Sentinel applicant submitted a letter to the Energy Commission objecting to staff's recommendation that the applicant consider a "dry cooled" water system. The letter further stated that at the pre-filing meeting of January 23, 2007, staff had conceptually approved the project's proposed "wet cooled" water system.

On December 21, 2007, staff provided a response to the applicant's November 27, 2007 letter. In its response, staff identified that at the CPV Sentinel pre-filing meeting, the applicant presented a power plant cooling system that utilized reclaimed water from the Mission Springs Water District's (MSWD) Horton Waste Water Treatment Plant (WWTP) through a water banking program. As described to Energy Commission staff, the CPV Sentinel project would purchase and percolate Title 22 recycled water banked in the Mission Creek Sub-basin aquifer

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 ORIGINAL MAILED FROM SACRAMENTO ON 2/1/08  
 TP

by the Mission Springs Water District (MSWD), and then pump out the reclaimed water for power plant operations.

The project, as we understand it today, appears different from what was explained at the pre-filing meeting. As described in the AFC, the project would pump high quality groundwater at the CPV Sentinel project site, and as mitigation, percolate secondarily treated wastewater at the Horton WWTP, four (4) miles from the CPV Sentinel power plant site. This would not be a banking of water, but rather a transfer of non-potable water for potable water. Moreover, based on the draft Comprehensive Water System Master Plan (2005-URS) provided by the Mission Springs Water District, staff has identified that the recycled water proposed to mitigate the use of freshwater at the CPV Sentinel power plant is currently being used to recharge the area's overdrafted Mission Creek sub-basin. This water is already accounted for in the region's water basin calculations. Therefore, staff's preliminary view is that the net effect of the CPV Sentinel project would be to use high quality water for power plant cooling operations and cause a net loss of recharge to an over-drafted water basin.

Staff's response letter stated that the Energy Commission has adopted a policy regarding the use of fresh water in association with power plants. Specifically, the Energy Commission's 2003 Integrated Energy Policy Report (IEPR) states: the Energy Commission will approve the use of fresh water for cooling purposes by power plants which it licenses only where alternative cooling technologies are shown to be "environmentally undesirable" or "economically unsound." The letter said that at this time, staff could not recommend approval of the proposed CPV Sentinel project since we do not believe it complies with the State Water Resources Control Board's policy 75-58 and the Energy Commission's IEPR policy regarding the use of fresh inland water for power plant cooling. Further, staff stated they would need to assess whether the project would cause a significant adverse impact to water resources in the region associated with depleting an already overdrafted water basin.

Staff requested that the applicant evaluate project alternatives that would mitigate this potentially significant environmental impact and resolve non-compliance with the Commission's 2003 IEPR water policy (2003, IEPR, pps 39-41).

At the January 24<sup>th</sup> Issues Resolution Workshop, the applicant stated they are revising their project's proposed water supply plan. They anticipate submitting an AFC Supplement later this month, detailing the proposed revised water plan. Staff anticipates there will be a second round of Data Requests (Data Request Set #2) regarding the revised water plan, its potential environmental impacts, and compliance with Laws, Ordinances, Regulations and Standards (LORS).

### **Schedule**

Due to the applicant's delays in the Data Request Set #1 process and the proposed revised water plan to be included in an AFC Supplement, the schedule issued by the Committee in its order dated October 15, 2007 cannot be met. The applicant anticipates submitting their AFC Supplement and final responses to Data Request Set #1 later this month. Staff anticipates issuing Data Request Set #2 in March. Once the applicant has provided responses to Data

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Request Set #2, a public workshop will be held in Desert Hot Springs. At this time, staff anticipates the publication of the Preliminary Staff Assessment (PSA) in June 2008, which reflects a three month slip from the March 12, 2008 PSA publication date identified in the Committee Schedule. The SCAQMD is expected to issue the PDOC in early spring 2008, which should not delay the projected June 2008 PSA publication.

cc: Docket (07-AFC-3)  
Proof of Service List

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

**APPLICATION FOR CERTIFICATION  
FOR THE CPV SENTINEL ENERGY  
PROJECT  
Power Plant Licensing Case**

**INSTRUCTIONS:** All parties shall 1) send an original signed document plus 12 copies OR 2) mail one original signed copy AND e-mail the document to the web address below, AND 3) all parties shall also send a printed OR electronic copy of the documents that shall include a proof of service declaration to each of the individuals on the proof of service:

CALIFORNIA ENERGY COMMISSION  
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**Docket No. 07-AFC-3  
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