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To: **CPV SENTINEL PROJECT TEAM**

February 28, 2008

From: **Bill Pfanner – Project Manager**
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Subject: **CPV SENTINEL ENERGY PROJECT, APPLICATION FOR CERTIFICATION (07-AFC-3) – SUPPLEMENTAL INFORMATION (REVISED WATER SUPPLY PLAN), DATA REQUEST #2**

CPV Sentinel Project Team:

On February 19, 2008, the California Energy Commission received a supplement to the CPV Sentinel, LLC (CPV Sentinel) Application for Certification (AFC). This supplemental filing differs from the original AFC in that it provides a revised water supply plan.

Under the revised water supply plan, the onsite facilities that would be installed to serve the CPV Sentinel project, including onsite groundwater wells, would remain unchanged. However, the prior consideration to upgrade the Horton Wastewater Treatment Plant (WWTP) to tertiary treatment, and the proposed purchase by the applicant of reclaimed water from the Horton WWTP for groundwater recharge, are eliminated.

The primary elements of the revised water supply plan are described in two new agreements between the applicant and Desert Water Agency (DWA). These agreements embody the changes to the water supply plan and include:

- A Memorandum of Understanding Concerning Additional Conservation of Fresh Water within DWA (“**Conservation Agreement**”).
- A Memorandum of Understanding for Implementation of Well Metering Agreement (“**Implementation Agreement**”).

In the case of the freshwater **Conservation Agreement**, funding would be provided by CPV Sentinel to allow DWA to develop new facilities to the existing DWA reclaimed wastewater system. The Conservation Agreement’s intent is to ensure that the CPV Sentinel project does not increase the net use of fresh water on a statewide basis and to comply with California Energy Commission policy regarding use of fresh water for power plant cooling.

The Conservation Agreement’s Memorandum of Understanding (MOU) is open ended and may or may not include the specific implementation measures identified in the AFC Supplement. However, for purposed of CEC review, staff is asked to review the environmental impacts of the project defined by the applicant in the AFC Supplement. This included the following two proposals:

- The CPV Sentinel applicant would fund the installation of a recycled water line to serve the Palm Springs National Golf Course which currently uses fresh water from private groundwater wells for irrigation purposes. The new recycled water line would consist of approximately 900 feet of 12 inch pipeline extending from an existing DWA service main located along South Murray Canyon Drive in Palm Springs. The recycled water line would connect to an existing water feature at the golf course, which serves as a storage reservoir for the irrigation system at the golf course property. The new pipeline would be constructed within the existing street right-of-way and the golf course property. Cross-connection testing and resolution would be in compliance with California Department of Public Health standards for golf course retrofits promulgated under California Code of Regulations Title 22.

Appropriate signage would be placed on the golf course, including standard warnings regarding the non-potable nature of the irrigation water supplies.

- DWA has initiated a cooperative plan with the Building Industry Association to provide new homes built within DWA's Service Area with irrigation system controllers that use evapotranspiration and the ambient temperature to limit outdoor water application to what is actually needed. According to the AFC Supplement, this existing program has demonstrated the effectiveness of irrigation controllers in conserving fresh water. The CPV Sentinel applicant will fund installation of these irrigation controllers for a portion of existing customers to complement the DWA program of offering them to new homes. This would conserve freshwater supplies throughout DWA's Service Area.

Staff should evaluate the environmental impact of the two proposed Conservation Agreement implementations and prepare a Data Request (if necessary) to fully understand the proposed projects.

In the case of the **Implementation Agreement**, no new facilities would be built. The Implementation Agreement is intended to ensure that the Mission Creek Sub-basin would be recharged with imported water in quantities greater than the actual CPV Sentinel pumping of groundwater for cooling. The Implementation Agreement is intended to ensure that there would be no diminishment of the physical supply of water in the Coachella Valley and the Mission Creek Sub-basin. This included the following proposal:

- Under the Implementation Agreement, the applicant would purchase California Aqueduct water through the DWA, equal to 108 percent of the CPV Sentinel project's groundwater production. DWA would exchange California Aqueduct water for Colorado River water and deliver Colorado River water to recharge the existing spreading grounds in the Mission Creek Sub-basin. DWA would spread enough water to ensure that imported water equals at least 100 percent of the CPV Sentinel project's groundwater pumping. DWA would transfer ownership of a volume of this recharged water, equivalent to 100 percent of the project's pumping, to the CPV Sentinel applicant. Title to the additional 8 percent imported water would remain with DWA to cover incidental losses in the delivery, and to benefit all water users within DWA's Service Area.

The AFC Supplement states: "In all cases, DWA would purchase and Applicant would pay for waters already approved for transfer by DWR and reviewed pursuant to the California Environmental Quality Act (CEQA). Thus, it is anticipated that the CEC's review of the environmental impacts of any such transfer would be limited to the effects that delivery of the transferred water would have within the project area". **Therefore, staff should focus its evaluation on the environmental impact of the proposed Implementation Agreement to impacts within the project area and prepare a Data Request (if necessary) to fully understand the proposed project.**

SCHEDULE:

Staff should evaluate the environmental impact of the two proposed Conservation Agreement and Implementation Agreement and prepare Data Requests (if necessary) to fully understand the proposed projects. Please use the standard Data Request format. Data Requests are to be submitted to the Project Manager by **March 14, 2008** (Blue Sky Date). Please let me know ASAP if this date will not work for you.

At this time, I'm tentatively looking at holding Data Response Workshop (#2) in Desert Hot Springs the week on April 14th – 18th. Based on this tentative schedule, PSA sections would be due to the Project Manager in mid-May and the PSA would be published in mid-June.

Stay Tuned