

CALIFORNIA ENERGY COMMISSION
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07-AFC-3	
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TO: AGENCY DISTRIBUTION LIST

REQUEST FOR AGENCY PARTICIPATION IN THE REVIEW OF THE CPV SENTINEL ENERGY PROJECT, APPLICATION FOR CERTIFICATION (07-AFC-3) – SUPPLEMENTAL INFORMATION (REVISED WATER SUPPLY PLAN)

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.

CPV Sentinel submitted their original AFC to the California Energy Commission on June 25, 2007 to construct and operate a simple-cycle (peaking) power plant. The CPV Sentinel project is a proposed nominally rated 850 megawatt (MW) electrical generating facility that would encompass 37 acres of land situated within unincorporated Riverside County, California, adjacent to the Palm Springs northern city limits. The proposed project consists of eight natural gas-fired General Electric (GE) LMS100 combustion turbine generators (CTGs) operating in simple-cycle mode. The project would supply quick-start peaking capacity, energy, and ancillary services into the California Independent System Operator's (CAISO) Los Angeles Basin Local Capacity Requirement Area.

The supplement to the AFC for the CPV Sentinel Energy project proposes 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 conservation measures to ensure that the CPV Sentinel project does not increase the net use of fresh water on a statewide basis and complies with California Energy Commission policy regarding use of fresh water for

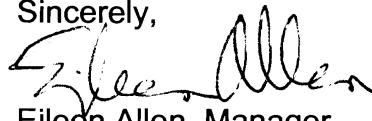
power plant cooling. Measures the applicant is discussing with the DWA include funding a new pipeline for provision of recycled water to a Palm Springs golf course, and water conservation options for new homes built in the DWA service area.

In the case of the **Implementation Agreement**, the applicant is proposing purchase of 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.

Your determination regarding the project's compliance with requirements administered by your agency would be greatly appreciated by **April 29, 2008** (60 days).

Enclosed is a copy (CD) of the CPV Sentinel AFC Supplement Revised Water Supply Plan in electronic format. If you would like to have a hard copy of the AFC supplement sent to you, if you have questions, or if you would like additional information on local agency reimbursement or on how to participate in the Energy Commission's review of the proposed project, please contact Bill Pfanner, Project Manager, at (916) 654-4206, or by email at bpfanner@energy.state.ca.us. The status of the proposed project, copies of notices, electronic version of the AFC, the AFC Supplement, and other relevant documents are also available on the Energy Commission's Internet web site at <http://www.energy.ca.gov/sitingcases/sentinel>. You can also subscribe to receive e-mail notification of all notices at <http://www.energy.ca.gov/listservers>.

Sincerely,



Eileen Allen, Manager
Energy Facilities Siting and Compliance Office

Enclosure