

CALIFORNIA ENERGY COMMISSION

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**NOTICE OF RECEIPT OF AN
APPLICATION FOR CERTIFICATION SUPPLEMENT (07-AFC-3)
REVISED WATER PLAN FOR THE CPV SENTINEL ENERGY PROJECT**

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.

Energy Commission's Facility Certification Process

The Energy Commission is responsible for reviewing and ultimately approving or denying all applications to construct and operate thermal electric power plants, 50 MW and greater, in California. 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 and natural gas and water pipelines. The Energy Commission is the lead agency under the California Environmental Quality Act (CEQA), but it produces several environmental and decision documents rather than an Environmental Impact Report.

Public Participation

Over the coming months, the Energy Commission will conduct a number of public workshops and hearings on the proposal to determine whether the proposed project should be approved for construction and operation and under what set of conditions. These workshops will provide the public as well as local, state and federal agencies the opportunity to ask questions about, and provide input on, the proposed project. The Energy Commission will issue notices for these workshops and hearings at least 10 days prior to the meeting.

Please direct your technical or project schedule questions to Bill Pfanner, Energy Commission Project Manager, at (916) 654-4206, or by e-mail at bpfanner@energy.state.ca.us. If you desire information on participating in the Energy Commission's review of the project, please contact the Energy Commission's Public Adviser's Office, at (916) 654-4489 or toll free in California, at (800) 822-6228. The Public Adviser's Office can also be contacted via email at pao@energy.state.ca.us. News media inquiries should be directed to Assistant Director, Suzanne Garfield-Jones, at (916) 654-4989. The status of the proposed project, copies of notices, an 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>.

This notice of receipt has been mailed to all parties that requested placement on the mailing list during the pre-filing period and to property owners located within 1,000 feet of the proposed project site. By being on the mailing list, you will receive notices of all project-related activities and notices when documents related to the proposed project's evaluation are available for review. If you want your name removed from the mailing list, please contact Christina Flores, Project Secretary, at (916) 653-1608, or by e-mail at cflores@energy.state.ca.us.

Availability of the AFC Documents

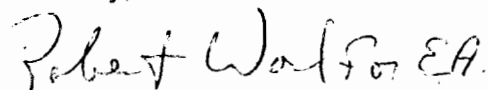
Copies of the AFC and the AFC Supplement (Revised Water Plan) are available for public inspection at the following Riverside County (Desert Hot Springs Branch Library) and City of Palm Springs public libraries:

Riverside County Library System
Desert Hot Springs Library
11691 West Drive
Desert Hot Springs, CA 92240

Palm Springs Public Library
300 South Sunrise Way
Palm Springs, CA 92262

Copies are also available at the Energy Commission's Library in Sacramento, the California State Library in Sacramento, and at public libraries in Eureka, Fresno, San Francisco, Los Angeles, and San Diego. In addition, copies will be distributed to those public agencies that would normally have jurisdiction except for the Energy Commission's exclusive authority to certify sites and related facilities.

Sincerely,



Eileen Allen, Manager
Energy Facilities Siting and Compliance Office

Date: _____