

**Memorandum**

Date: March 28, 2008  
 Telephone: (916) 654-4679

To: Vice Chair James Boyd, Presiding Member  
 Commission Chairman, Jackalyne Pfannenstiel, Associate Member

From: California Energy Commission – Bill Pfanner  
 1516 Ninth Street  
 Sacramento, CA 95814-5512  
 Project Manager

*Bill Pfanner*

<b>DOCKET</b>	
<b>07-AFC-3</b>	
<b>DATE</b>	<u>MAR 28 2008</u>
<b>RECD.</b>	<u>MAR 28 2008</u>

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

Per the Committee Scheduling Order, staff is submitting Status Report #3 for the CPV Sentinel Energy Project (CPV Sentinel).

**Current Project Status**

- On February 19, 2008 – Applicant submitted its AFC Supplement: Revised Water Supply Plan.
- On March 25, 2008 – Staff filed its Data Request Set #2 (Data Requests #66 through 97).
- On April 14, 2008, the applicant is scheduled to submit responses to Data Request Set #2 (#66 through 97).
- On April 17, 2008, staff will conduct a public Data Response and Issue Resolution Workshop in Desert Hot Springs to discuss the applicants' responses to Data Requests #66 through 97.

**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 South Coast Air Quality Management District (SCAQMD). The SCAQMD is expected to issue the Preliminary Determination of Compliance (PDOC) in April 2008.

**Project Issues**

The supplement to the AFC for the CPV Sentinel project proposes a revised water supply plan for the project which is located in the Mission Creak Sub-basin of the Coachella Valley Groundwater Basin. Under the revised 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 Mission Spring's Water District's 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:

PROOF OF SERVICE (REVISED 10/15/07) FILED WITH  
 ORIGINAL MAILED FROM SACRAMENTO ON 3/28/08 *MS*

- 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 fresh water 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 to ensure compliance with 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 for irrigation at 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 which would be affected by the CPV Sentinel facility groundwater pumping. DWA would spread enough water to ensure that imported water equals at least 100 percent of the CPV Sentinel project's water pumping and consumption. 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 volume of imported water would remain with DWA to cover incidental losses in the delivery, and to benefit all water users within DWA's Service Area.

Staff is currently analyzing the applicant's proposal to determine if it complies with State water policy and the Commission's 2003 IEPR policy regarding the use of fresh water for power plant cooling, and whether it would result in adverse impacts to water resources within the Mission Creek Sub-basin.

### **Schedule**

Due to the applicant's delays in responding to Data Request Set #1 (#1 through 65) and the revised water plan included in an AFC Supplement, the schedule issued by the Committee in its order dated October 15, 2007 has been delayed. At this time, staff anticipates the publication of the Preliminary Staff Assessment (PSA) in May 2008, which reflects a two month slip from the March 12, 2008 PSA publication date identified in the original Committee Schedule.

SCAQMD is expected to issue the PDOC in April 2008. If the publication of the PDOC is delayed, the projected May date for the PSA's publication would need to be adjusted.

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**

**Docket No. 07-AFC-3  
PROOF OF SERVICE**  
(Revised 10/15/07)

**INTERESTED AGENCIES**

**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:**

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**DECLARATION OF SERVICE**

I, Maria Sergoyan, declare that on March 28, 2008, I deposited copies of the attached CPV Sentinel Energy Project (07-AFC-3) Status Report #3 in the United States mail at Sacramento, CA with first-class postage thereon fully prepaid and addressed to those identified on the Proof of Service list above.

**OR**

Transmission via electronic mail was consistent with the requirements of California Code of Regulations, title 20, sections 1209, 1209.5, and 1210. All electronic copies were sent to all those identified on the Proof of Service list above.

I declare under penalty of perjury that the foregoing is true and correct.

  
**Maria Sergoyan**