

Memorandum

Date: May 12, 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



DOCKET	
07-AFC-3	
DATE	MAY 12 2008
RECD.	MAY 12 2008

Subject: **CPV Sentinel Energy Project (07-AFC-3) STATUS REPORT #4**

Per the Committee Scheduling Order, staff is submitting Status Report #4 for the CPV Sentinel Energy Project (CPV Sentinel).

Current Project Status

- On April 17, 2008, staff conducted a Data Response and Issue Resolution Workshop in Desert Hot Springs to discuss the applicant's responses to Data Requests #66 through 97.
- In June (date not set at this time), staff will conduct a workshop in Sacramento to review the groundwater modeling prepared by the applicant.

Coordination Activities

Air Quality – On May 6, 2008, the South Coast Air Quality Management District issued the Preliminary Determination of Compliance (PDOC).

Project Issues

On February 19, 2008, the CPV Sentinel applicant submitted a supplement to the AFC setting forth a revised water supply plan. The Revised Water Supply Plan for the CPV Sentinel project proposes two new agreements between the applicant and Desert Water Agency (DWA). These agreements embody the changes to the water supply plan and groundwater recharge program 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 fresh water Conservation Agreement, funding would be provided by the applicant 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 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 for irrigation at a Palm Springs golf course, and water conservation options for new homes built in the DWA service area.

PROOF OF SERVICE (REVISED 10/15/07) FILED WITH
 ORIGINAL MAILED FROM SACRAMENTO ON 5/12/07
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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. Under the applicant's plan, 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 Energy Commission's 2003 Integrated Energy Policy Report (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 delayed responses to Data Request Set #1 (#1 through 65) and the applicant's revised water plan included in an AFC Supplement, the schedule issued by the Committee in its order dated October 15, 2007 has been delayed.

Staff is in the process of adding a groundwater modeling specialist to the project team to provide an analysis of the project's potential impacts to groundwater quality and quantity. We will be conducting a groundwater workshop in June 2008 in Sacramento to go over the applicant's Revised Water Supply Plan and specifically address the applicant's groundwater modeling. This will necessitate additional time to complete the Preliminary Staff Assessment (PSA).

At this time, staff anticipates the publication of the PSA in July 2008, which reflects a four month slip from the March 12, 2008 PSA publication date identified in the original Committee Schedule.

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 May 12, 2008, I deposited copies of the attached CPV Sentinel Energy Project (07-AFC-3) Status Report #4 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