Memorandum

Date: October 1, 2012 Telephone: (916) 654-4894 File: 11-AFC-2



To: Commissioner Karen Douglas, Presiding Member Commissioner Carla Peterman, Associate Member Hearing Officer Kenneth Celli

From: California Energy Commission - Mike Monasmith 1516 Ninth Street Sacramento, CA 95814-5512

Subject: HIDDEN HILLS SOLAR ELECTRIC GENERATING SYSTEM (11-AFC-2) STATUS REPORT #6

Energy Commission staff hereby file Status Report #6 for the Hidden Hills Solar Electric Generating System (HHSEGS).

This report will briefly summarize the status of several technical sections of the forthcoming Final Staff Assessment (FSA), which is scheduled for publication on Friday, October 19, 2012. Specifically, staff wishes to convey the complexities and potential degree of adjudication these technical sections will present, once published. Absent resolution between parties during any potential FSA Workshop(s) in conjunction with the next scheduled Status Conference on November 15, 2012, the Committee should expect a large volume of issues requiring significant blocks of time during the upcoming Evidentiary Hearings, tentatively scheduled for January of 2013.

UPDATE

Since the last Status Conference on August 16, 2012, there have been some new developments, and the continuation of numerous unresolved issues, to which staff wishes to alert the Committee, given the upcoming publication of the Final Staff Assessment.

Biological Resources: Parties participated in one official event since the August Status Conference, namely the joint August 28, 2012 Rio Mesa-Hidden Hills Solar Flux/Avian Impact Workshop in Sacramento. For the Hidden Hills proceeding, the workshop highlighted the relative lack of impact-appropriate avian surveys for golden eagle and migratory birds, and development of minimization and mitigation measures. The Rio Mesa project (with similar "power tower" technology, from the same applicant, BrightSource Energy) will have much more extensive avian survey results reflected in its forthcoming Staff Assessment, due to different initial requirements sought by the REAT (Renewable Energy Action Team) agencies, and agreed to by applicant, based in part on Rio Mesa's location near the Colorado River and a major migratory bird flyway. These survey results will therefore allow for a more robust Rio Mesa risk assessment (and subsequent formulation of mitigation) as compared to Hidden Hills. Nonetheless, staff continues their collaborative work with the REAT agencies (specifically, US Fish & Wildlife Service and the California Department of Fish and Game) on appropriate mitigation, conservation and adaptive management strategies for avian impacts, as well as other biological resources (including Desert Tortoise, Burrowing Owl and Waters of the State). While staff had hoped to workshop these particular biological issues with the applicant and intervenors during the month of September, the applicant was not inclined. Accordingly, absent a FSA Workshop where discussion and some degree of resolution between the parties and resource agencies could potentially occur, the need for at least one full day of Evidentiary Hearings focused on Biological Resources can easily be expected.

<u>Cultural Resources</u>: As was indicated to the Committee at the August 16, 2012 Status Conference, staff filed and posted a redacted version of Cultural Resources Appendix A (from the Supplemental Staff Assessment filed on June 15, 2012). Staff minimized the level of confidential testimony to provide an open and streamlined Evidentiary Hearing process related to Cultural Resources. Nonetheless, given the level of anticipated impacts (to Ethnological Resources, Archeological Resources and Cultural Landscapes), the specificallystated interest and involvement of at least two Intervenors (Old Spanish Trail Association and Richard Arnold), and the consistent involvement from local Native American interests (including the Pahrump Paiute Tribe), the Committee should anticipate a day of evidentiary hearings on this issue.

Land Use: On August 8, 2012, a letter was filed with the Commission indicating a problem with a 20-acre plot on the southeast edge of Solar Field 2, referred to as the Tsiamis parcel. The applicant has indicated that the owners of the parcel (the last remaining of several owned by entities not directly affiliated with the Mary Wiley Trust) would sign a long-term lease agreement. However, in the ongoing absence of such an agreement, issues of site control remain, and an impediment to Inyo County's General Plan Amendment process thereby also exists (although the applicant has indicated they have resolved this situation, and an official letter specifying resolution is forthcoming). Additionally, as the Committee remembers, an ongoing focus of workshops and staff time has involved the project's potential impact on Inyo

October 1, 2012

County (how revenues and county services would potentially be impacted by both the construction and operation of the Hidden Hills project). These issues remain. The Committee should anticipate a day of evidentiary hearings on these Inyo County-specific matters.

Water Supply / Soils: Although staff does not know the results of the Applicant's second groundwater pump test (which is apparently about to conclude), staff believes its results are not mandatory for the completion of the FSA Water Supply analysis. Staff does not anticipate that the pump test data will substantially alter the monitoring and mitigation measures currently contemplated for inclusion in the FSA, but staff will review and give the data due consideration where possible. Because of the importance of this resource, the degree to which it is impacted and the manner in which it is protected will most certainly be topics of involved discussion during Evidentiary Hearings. This is especially true given the level of attention it has received throughout the course of the proceeding by agencies, intervenors and members of the public (including, importantly, the residents of nearby Charleston View). Moreover, given recent flooding events and ongoing concern on the specifics and adequacy of storm water retention engineering along the western edge of the project -- despite Applicant's September 10, 2012 Supplement 4B filing on the retention area -- the manner in which Soil and Surface Water resources are impacted and protected will also be an important topic for hearings. Combined, Water Supply and Soil and Surface Water issues could require a full day of Evidentiary Hearings.

<u>Worker Safety / Fire Protection</u>: Staff has yet to receive any indication or supporting documentation regarding the resolution of outstanding fire risk issues involving the Southern Inyo Fire Protection District (SIFPD). This issue is not only important to SIFPD, but to residents of Charleston View, and to emergency response entities outside the state (i.e. Pahrump Valley Fire-Rescue Services in neighboring Nye County, Nevada). This issue may yet resolve itself. However, absent a signed agreement between the applicant and the relevant emergency service(s) organizations, at least a half day of hearing time for this issue is likely.

<u>Alternatives</u>: Applicant filed a Motion in Limine on August 31, 2012, for which staff replied on September 21, 2012, recommending the Committee deny the Motion.

<u>General</u>: Staff is responding to over 1,300 PSA Comments in the FSA. Staff still anticipates that many of the PSA comments (and the questions and concerns that constituted them) that were filed on July 23, 2012, will require some discussion during Evidentiary Hearings.

CONCLUSION

This Status Report reflects staff's current understanding of key technical issues involved in this proceeding for which the Committee will be receive conflicting testimony from multiple parties. Although some issues may yet be resolved, staff believes a minimum of five to six days of hearings in January of next year (2013) will be required.



BEFORE THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT COMMISSION OF THE STATE OF CALIFORNIA 1516 NINTH STREET, SACRAMENTO, CA 95814 1-800-822-6228 – WWW.ENERGY.CA.GOV

APPLICATION FOR CERTIFICATION FOR THE HIDDEN HILLS SOLAR ELECTRIC GENERATING SYSTEM

Docket No. 11-AFC-02

PROOF OF SERVICE (Revised 9/20/12)

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DECLARATION OF SERVICE

I, <u>Cenne Jackson</u>, declare that on <u>October 1, 2012</u>, I served and filed copies of the attached Status Report, dated <u>September 26, 2012</u>. This document is accompanied by the most recent Proof of Service list, located on the web page for this project at: <u>www.energy.ca.gov/sitingcases/hiddenhills/index.html</u>.

The document has been sent to the other parties in this proceeding (as shown on the Proof of Service list) and to the Commission's Docket Unit or Chief Counsel, as appropriate, in the following manner:

(Check all that Apply)

For service to all other parties:

- x Served electronically to all e-mail addresses on the Proof of Service list;
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AND

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Attn: Docket No. 11-AFC-02 1516 Ninth Street, MS-4 Sacramento, CA 95814-5512 docket@energy.ca.gov

OR, if filing a Petition for Reconsideration of Decision or Order pursuant to Title 20, § 1720:

Served by delivering on this date one electronic copy by e-mail, and an original paper copy to the Chief Counsel at the following address, either personally, or for mailing with the U.S. Postal Service with first class postage thereon fully prepaid:

> California Energy Commission Michael J. Levy, Chief Counsel 1516 Ninth Street MS-14 Sacramento, CA 95814 <u>michael.levy@energy.ca.gov</u>

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, that I am employed in the county where this mailing occurred, and that I am over the age of 18 years and not a party to the proceeding.

Originally Signed by Cenne Jackson