

Memorandum

Date: December 30, 2008

Telephone: (916) 651-0966

To: Karen Douglas, Commissioner and Presiding Member
Jeffrey D. Byron, Commissioner and Associate Member

From: **California Energy Commission** – Eric K. Solorio
1516 Ninth Street Project Manager
Sacramento, CA 95814-5512

DOCKET

08-AFC-2

DATE DEC 30 2008

RECD. DEC 31 2008

Subject: Beacon Solar Energy Project (08-AFC-2) STATUS REPORT #4

Pursuant to the Committee Scheduling Order dated June 18, 2008, the following is staff's Status Report #4 for the proposed Beacon Solar Energy Project (Beacon).

Recent Activities and Current Issues

1. Staff has made substantial progress in effecting a primary objective of the Renewable Energy Action Team (REAT), as identified in the Governor's Executive Order S-14-08, – to create a "one stop" process for permitting renewable energy generation facilities under California law. This permit streamlining process is being implemented according to the Energy Commission's "in lieu permit" authority under the Warren-Alquist Act. Accordingly, staff has coordinated joint environmental review with other agencies such as the U.S. Fish and Wildlife Service, California Department of Fish and Game, California State Water Resources Control Board and Kern County to facilitate the Energy Commission issuing all of the necessary state permits within the Commission's certification process. By implementing this cooperative approach, staff is able to reduce the overall state permit processing time for the Beacon project. For example the local water board, Lohantan RWQCB, normally requires a certified CEQA document before its Board will approve a Waste Discharge Report (permit). Currently, Lahontan's Board hearings would take place four months after a final decision by the Energy Commission. As such, the streamlining approach will reduce the permit time by at least four months and likely much more when considering the respective processes for obtaining an Incidental Take Permit and a Streambed Alteration Agreement from the California Department of Fish and Game. The Beacon Solar Energy Project stands to benefit by having each of these permits and agreements subsumed in the Energy Commission's certification process.
2. Staff and applicant continue to make substantial progress towards resolving the outstanding issues in the areas of Biology and Cultural Resources. Staff and applicant have cooperated to develop and implement a geo-archeology field study program to adequately assess potential impacts to cultural resources, and recommend appropriate mitigation measures. Staff continues to coordinate a joint review with the California Department of Fish and Game, and the U.S. Fish and Wildlife Service, to develop mutually acceptable measures that will mitigate impacts to listed species.

3. Regarding the remaining substantial issue of applicant's proposed use of 1,600 acre feet per year of potable water (for wet cooling), staff has commissioned an interdisciplinary alternatives analysis to evaluate the applicant's selected project equipment and processes. For the past month staff has requested information from applicant to support applicant's assertions (in the AFC) that other non-potable water sources and/or alternative equipment (dry cooling) are economically "infeasible". Today, applicant informed staff that applicant will submit the Beacon pro-forma cost estimates and revenue assumptions with supporting source data, under a request for confidentiality. The information that applicant has agreed to provide under a request for confidentiality is critical to support any conclusions that staff may reach in evaluating the AFC. Because of applicant's delay in producing all "reasonably available" information necessary for staff's analysis, staff is now proposing to move the Preliminary Staff Assessment (PSA) publication date to early February. Please see the proposed schedule, below.

Once staff receives the applicant's complete response to our requests for the supporting economic data, we can begin finalizing the PSA. Staff plans to hold a PSA public workshop within two weeks following the publication of the PSA. Staff's goal is to resolve, at the PSA workshop, the outstanding issue of potable water use for "wet cooling". If applicant and staff are able to resolve this outstanding issue at the PSA workshop then staff can soon thereafter publish an FSA that comprehensively addresses all project impacts and associated mitigation measures. Because the issue of "potable water use for wet cooling" is contrary to several applicable policies, if applicant and staff are unable to resolve this issue at the PSA workshop then staff plans to expand the scope of its alternative analysis and hold a follow up workshop before publishing the FSA.

Staff's proposed schedule is on the following page.

Staff's Proposed Schedule

Staff proposes the following revised schedule for the Committee's consideration:

**STAFF'S PROPOSED SCHEDULE
 BEACON SOLAR ENERGY PROJECT (08-AFC-2)**

DATE	EVENT
3/14/08	Applicant files Application for Certification (AFC)
5/7/08	Decision on Data Adequacy at the Business Meeting
6/11/08	Informational Hearing and Site Visit
6/17/08	Staff files 1st Round Data Requests
7/17/08	Applicant provides Data Responses (round 1)
7/21/08	Data Response and Issue Resolution Workshop (round 1)
8/8/08	Status Report #1
8/15/08	Staff files Data Requests (round 2, if necessary)
9/3/08	Local, state and federal agency draft determinations, including PDOC from KCAPCD
9/15/08	Applicant provides Data Responses (round 2, if necessary)
9/25/08	Data Response and Issue Resolution Workshop (round 2)
9/30/08	Status Report #2
11/06/08	Data Response and Issue Resolution Workshop (round 2)
11/21/08	Status Report #3
2/10/09	Preliminary Staff Assessment (PSA) filed
2/25/09	PSA workshop(s)
2/25/09	Local, state and federal agency final determinations, including FDOC from KCAPCD
3/25/09*	Final Staff Assessment filed (*contingent upon applicant and staff resolving the outstanding water issue during the PSA workshop)
TBD	Pre-Hearing Conference

Proof of Service List
 Docket



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 *BEACON SOLAR ENERGY*
PROJECT

Docket No. 08-AFC-2

PROOF OF SERVICE
(Revised 11/10/08)

INSTRUCTIONS: All parties shall either (1) send an original signed document plus 12 copies or (2) mail one original signed copy AND e-mail the document to the address for the Docket as shown below, AND (3) all parties shall also send a printed or electronic copy of the document, which includes a proof of service declaration to each of the individuals on the proof of service list shown below:

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DECLARATION OF SERVICE

I, Teraja Golston, declare that on December 31, 2008, I deposited copies of the attached Staff Status Report #4 (08-AFC-2) 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.

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.

Original Signature in Dockets
Teraja Golston

Attachments