California Native Plant Society
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STATE OF CALIFORNIA
State Energy Resources
Conservation and Development Commission

In the Matter of:	)	
	)	DOCKET NO. 08-AFC-5
APPLICATION FOR CERTIFICATION	)	
FOR THE IMPERIAL VALLEY SOLAR	)	
PROJECT (FORMERLY SES SOLAR TWO)		

INTERVENOR CALIFORNIA NATIVE PLANT SOCIETY

Opening Brief of the California Native Plant Society

Docket 08-AFC-5

August 11, 2010

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Introduction: The Alternatives Analysis considered several off-site alternatives, including an alternative of seven disconnected parcel groups totaling about 4,100 acres. This off-site alternative group is called the "Agricultural Lands" (ag lands). The agricultural lands alternative meet all siting requirements but the applicant concluded that this alternative was overall not practicable because it did not meet the overall project purpose, not enough mega-watts, and due to costs. The analysis is inadequate and quite likely, its conclusion is not correct. Specifically, the applicant has failed to analyze and most likely omitted the positive benefits to the Salton Sea and the reduced project costs from fallowing productive (i.e. water consuming) Imperial Valley agricultural lands.

Value of Conservation Funds Omitted from Project Cost Calculation: The Imperial Valley is very arid. As such, there is little rainfall (less than 3 inches/year) so agricultural activities require unusually large amounts of water for irrigation. Open water surface evaporation rate at the Salton Sea is estimated at about 69 inches/year and average crop reference evapotranspiration rate at Brawley is reported to be about 71 inches/year (Salton Sea Ecosystem Draft EIR, p. 5-6). For 4,100 acres of active agricultural land, active crop production evapotranspiration would consume 24,258.33 acre feet of water per year (71 inches per year divided by 12 inches X 4,100 acres) and that doesn't even include water that evaporates, infiltrates, or runs off. At a price of $175 per acre foot (SB317, 2003), the value of 24,258.33 acre feet would equal $4.245-million per year.

In other words, the value of the water NOT consumed by crops on the alternative agricultural lands site is equal to $4.245-million per year. This "income" would total $84.9-million over a 20-year project life and $169.80-million over a 40-year project life. The value of these "income" streams from conservation fund payments in today's dollars (discounted at 3.93%, the 30-year Treasury yield as of August 11, 2010) would be $58.05-million and $84.90-million for 20 and 40 project lives, respectively.

SB317 authorizes the payment of these conservation funds for fallowing agricultural lands. If conservation funds are available (we don't know that they are because the analysis does not say) for this project it would significantly reduce the cost of this $950-million project (Applicant's Submittal of Additional Opening Testimony, June 3, 2010, p.19). Add the additional 0.4% to the project cost for additional (incremental) transmission line costs (*Id.*) and the adjusted cost would be $953.8-million. Reduce this cost by the conservation funds and the new project cost would be $895.75 and $868.90-million for 20 and 40 year project lives, respectively. The reduction in project cost from conservation funds would equate to 6.09% and 8.90% for 20-year and 40-year project lives, respectively.

Cost Calculation: The applicant states that the "proposed project has a cost of approximately $950-million, the additional transmission line costs would increase the project cost by about 0.4%". (*Id.*) The applicant goes on the say that in order to be economically viable with the additional 0.4% cost, or $953.8-million total, that the project would require a size of 712 MW. Therefore, the off-site agricultural land off-site alternative of 473 MW is not viable, that it would not meet the cost criteria (*Id.* p.20). The applicant fails to explain how a 37-percent *reduction* in project size results in a 0.4%

increase in project cost. In fact, the applicant appears to be saying that the project cost, regardless of whether it is sized at 6,500 acres and 750 MW or at 4,100 acres and 473 MW, will be $950-million and depending on which site, additional transmission lines might cost 0.4% more. If this is an error, then the conclusion that the agricultural lands alternative would not meet cost criteria would also be erroneous.

Mitigation and Restoration: It's unlikely that the agricultural lands alternative would not incur the same mitigation or restoration costs as the proposed site. The alternative site analysis does not take this into account. These additional reductions in project cost would make the alternative more economically viable, yet these savings do not appear in the analysis.

Project Purpose: The applicant states that the 37% reduction in available renewable energy at the agricultural lands site compared the proposed site "also would compromise the project's ability to significantly contribute to SDG&E's and the State of California's efforts to reduce greenhouse gas emissions." "Therefore", the applicant concludes "this alternative does not meet the overall project purpose". (*Id.* p. 19). The applicant fails to define "significant" and it appears that the applicant decides what is significant and what is not. On this basis alone, the applicant has rejected the agricultural lands alternative, which by the way is an environmentally superior alternative than the proposed site, as a viable alternative.

Conclusion: The Alternatives Analysis is not complete because it omits potential cost reductions to the project. Since the applicant's alternatives analysis rejected the agricultural lands alternative based partly on cost, and since the cost analysis is flawed, then so is the conclusion that the agricultural lands alternative is not practicable. The Commission should not approve the Project as proposed because it appears that an environmentally superior alternative is available which the applicant claims in not practicable but has failed prove.

August 11, 2010

/s/

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APPLICATION FOR CERTIFICATION FOR THE
IMPERIAL VALLEY SOLAR PROJECT
(formerly known as SES Solar Two Project)
IMPERIAL VALLEY SOLAR, LLC

Docket No. 08-AFC-5
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DECLARATION OF SERVICE

I, Tom BELTRAN, declare that on AUG 19 2010, I served and filed copies of the attached, OPENING BRIEF - CNPS. The original documents, filed with the Docket Unit, are accompanied by a copy of the most recent Proof of Service list, located on the web page for this project at: [http://www.energy.ca.gov/sitingcases/solartwo/index.html]

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CALIFORNIA ENERGY COMMISSION
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I declare under penalty of perjury 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.

*indicates change