

# Memorandum

To: Commissioner Jeffrey Byron, Presiding Member  
 Commissioner Art Rosenfeld, Associate Member

Date: August 27, 2009  
 Telephone: (916) 654-4640

From: **California Energy Commission – Felicia Miller**  
 1516 Ninth Street  
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**Project Manager**

<b>DOCKET</b>	
<b>08-AFC-9</b>	
DATE	<u>AUG 27 2009</u>
RECD	<u>AUG 27 2009</u>

Subject: **Palmdale Hybrid Power Project (08-AFC-9) Status Report 5**

Pursuant to the Committee Scheduling Order dated July 23, 2009, the following is staff's Status Report 5 for the proposed Palmdale Hybrid Power Project (PHPP).

### Committee Conference

At the request of the applicant, a Committee Conference was held on July 9, 2009 to discuss the progress of the AFC and revisions to the schedule. During the Conference, staff discussed reasons for schedule delays, outlined critical issues and provided detailed information regarding outstanding information required to publish a PSA.

The Committee directed staff and the applicant to schedule a follow-up workshop to discuss details, if necessary, on July 28, 2009. Staff and the applicant participated in a workshop on July 28, 2009, to discuss the applicant's supplemental information filed July 27, 2009. On July 31, 2009, the applicant filed additional supplemental information. Collectively, supplemental information was filed in the areas of; biological resources, visual, water and transmission engineering. On August 20, 2009, staff and the applicant continued their discussion in order for staff to get additional clarification to the applicant's supplemental information.

### Staff Workshops

Staff and the applicant conducted a phone workshop on July 28, 2009 and again on August 20, 2009 to discuss the applicant's supplemental information that was filed July 27, 2009 and July 31, 2009. Staff and the applicant addressed and clarified outstanding issues pertinent to completion of staff's analysis.

- Biological Resources:** Erinn Wilson from the California Department of Fish and Game (DFG) participated in both phone workshops and discussed the issue of a Streambed Alteration Agreement. DFG and the applicant met at the PHPP site on July 29, 2009 to view the project site and features associated with a Streambed Alteration Permit. Although DFG has not yet determined whether a Streambed Alteration Agreement will be required for the project, DFG did inform the applicant that avoidance measures will be included as Conditions of Certification to minimize potential impacts of the project on wildlife. DFG requested an overlay mitigation map indicating actual Mohave Ground squirrel sightings

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to coincide with a mitigation map. The applicant responded on August 20, 2009 with a confidential filing.

- **Land Use:** Staff has requested the applicant provide copies of the city of Palmdale resolutions which document approval of the General Plan Amendment, Zone Change and Tentative Parcel Map for the proposed project. These documents will provide staff with the appropriate documentation to demonstrate the project is consistent with the City's land use plans.
- **Soil and Water Resources:** Staff discussed the requirement of the applicant to provide a signed Will Serve letter from the Los Angeles Department of Waterworks (LADW) providing details of water quality, quantity and terms providing water for the life of the project. Staff emphasized that without a Will Serve letter for project water, the project's reliability is questionable. On August 12, 2009 staff received commitment letters from the County of Los Angeles Sanitation District and the Los Angeles County Department of Public Works. Staff has reviewed the letters and determined they are adequate for a PSA analysis, but will require a signed Will Serve letter from LADW prior to completion of an FSA.

On June 30, 2009 a filing from the applicant included a revised Key Observation Point-1 (KOP-1) which showed a berm and vegetative screening. Since the berm was not included in the original AFC, staff requested the applicant provide a revised site layout and provide details of the proposed berm. On July 31, 2009, the applicant submitted a site map indicating the proposed berm, and included cross-section details. At the August 20, 2009 discussion, staff discussed additional concerns about the berm. The applicant did not provide details as to construction of the berm, location of the berm at the project site, including width and setbacks, drainage, compaction or the origination and transportation of soil to be used to construct the berm. The applicant agreed to provide these details with an additional information supplement to be filed the week of August 24, 2009.

Staff discussed their concern that the applicant miscalculated the land area of all the utility service lines, and asked the applicant to review their calculations and provide staff with a revised calculation.

Staff also requested the applicant provide an estimate of the volume of water the applicant would be using for hydrostatic testing of the natural gas pipeline and the power plant's various piping and tanks. Although the testing is usually a one-time test, the volume of water involved could be substantial. The applicant agreed to examine staff's requests and will provide the information in a subsequent filing.

- **Transmission System Engineering:** During the July 28, 2009 workshop, staff requested additional information regarding the July 27, 2009 transmission system engineering supplemental filing. The supplemental was incomplete, and the applicant responded by filing an additional supplemental information packet on July 31, 2009. Discussions continued on August 20, 2009 with staff directing questions regarding upgrading

the existing Southern California Edison (SCE) Vincent-Pearblossom 230 kV line. Staff's questions were directed at several discrepancies in the Interconnection Facilities Study Agreement (IFSA), specifically that the proposed route was the same route being analyzed by California ISO (CAISO). The applicant confirmed the CAISO is indeed reviewing the proposed transmission route, which has been estimated at 35.6 miles and defined as a route from the project to the Pearblossom pumping plant, to the Vincent substation. The applicant confirmed that the IFSA has been submitted to California ISO, but staff noted that a completed facility study, as well as a right-of-way study would be required in order to complete the FSA.

- **Visual Resources:** Staff informed the applicant that KOPs filed with the AFC did not meet Energy Commission requirements. The applicant agreed to submit new KOPs to meet staff's request.
- **Worker Safety and Fire Protection:** During the July 28, 2009 workshop discussion on water resources, staff stated that a reliable source of water must be identified for fire protection. Written assurances in the form of a signed contract would support the claim that water is available to the project and will remain available for the life of the project. A back-up fire water supply must also be identified in order to comply with safety and regulatory requirements.

### **Additional Issues**

The US Environmental Protection Agency (USEPA) submitted a letter dated July 27, 2009 providing comments on the revised Antelope Valley Air Quality Management District's Preliminary Determination of Compliance (PDOC). The letter discussed discrepancies in the PDOC, specifically, that the emission reduction credit (ERC) information was not discussed or referenced in the PDOC. The USEPA stated their request to the air district for a complete ERC package, including the specific sources of offsets and their respective quantities, need to be submitted prior to the air district issuing a Final Determination of Compliance. In addition, the air district must provide an analysis on how the ERCs were created and what rules they were subject to at the time of the ERC creation, and what adjustment may be required due to new requirements that apply to the source of the ERCs.

Staff has recently been contacted by the California Air Resources Board (CARB), who stated that CARB would also be commenting on the PDOC. Those comments are scheduled to be docketed in late August or early September.

### **Schedule**

Staff has discussed outstanding issues and requested supplemental information from the applicant. The applicant has agreed to address staff's requests and will file an additional information supplement the week of August 24, 2009. Once staff has had an opportunity to review the supplement, they can determine whether the information is adequate to proceed with the completion of the PSA. Staff stated during the Scheduling Conference of July 9, 2009, that a PSA could be completed in approximately 6-8 weeks from the time staff determines adequate information has been received.



BEFORE THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT  
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**APPLICATION FOR CERTIFICATION**  
**For the *PALMDALE HYBRID***  
***POWER PROJECT***

**Docket No. 08-AFC-9**

**PROOF OF SERVICE**

*(Revised 7/30/2009)*

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**DECLARATION OF SERVICE**

I, Hilarie Anderson, declare that on, August 27, 2009, I served and filed copies of the attached Status Report 5. The original document, filed with the Docket Unit, is 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/palmdale/index.html>]**. The document has been sent to both the other parties in this proceeding (as shown on the Proof of Service list) and to the Commission's Docket Unit, in the following manner:

***(Check all that Apply)***

**For service to all other parties:**

sent electronically to all email addresses on the Proof of Service list;

by personal delivery or by depositing in the United States mail at Sacramento, California with first-class postage thereon fully prepaid and addressed as provided on the Proof of Service list above to those addresses **NOT** marked "email preferred."

**AND**

**For filing with the Energy Commission:**

sending an original paper copy and one electronic copy, mailed and emailed respectively, to the address below (preferred method);

**OR**

depositing in the mail an original and 12 paper copies, as follows:

**CALIFORNIA ENERGY COMMISSION**

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

**Original Signature In Dockets**  
**Hilarie Anderson**