

CALIFORNIA ENERGY COMMISSION

1516 NINTH STREET
SACRAMENTO, CA 95814-5512STATE OF CALIFORNIA
ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION**DOCKET****02-AFC-1C**DATE APR 25 2012RECD. APR 26 2012

In the Matter of:)

BLYTHE ENERGY PROJECT,
PHASE II)

CAITHNESS BLYTHE II, LLC)

Docket No. 02-AFC-1C

Order No. 12-0425-3b

ORDER APPROVING Extension of the
Deadline for Commencement of
Construction for five years**INTRODUCTION**

On October 12, 2011, Caithness Blythe II, LLC (Caithness), filed a petition to extend the deadline for the commencement of construction of the Blythe Energy Project, Phase II (BEP II), located within the City of Blythe, approximately five miles west of the center of the City on an approximate 76 acre site immediately adjacent to the operational Blythe Energy Project.

In October 2009, Caithness filed a Petition to Amend the BEP II that proposes several revisions to the application for certification that was approved in December 2005. Since more time was needed for staff to complete its review of this Petition to Amend prior to the original deadline for the start of construction, on October 1, 2010 Caithness filed a petition to extend the deadline of the start of construction for one year, from December 14, 2010 to December 14, 2011. On December 1, 2010, the Energy Commission approved the request for a one year extension.

On October 12, 2011, Caithness filed a petition to extend the deadline for the start of construction for five years from December 14, 2011 to December 14, 2016. At the December 14, 2011 business meeting, Caithness asked the Commission for a short extension for staff to complete its analysis of the 2009 petition to amend so both the petition to amend and the five year extension request could be heard at the same business meeting. At that time, the Commission granted a five month extension, from December 14, 2011 to May 14, 2012. This matter was heard at the regularly scheduled Business Meeting held on April 25, 2012, at which time staff and the petitioner addressed the Energy Commission.

The deadline, set by regulation, is otherwise five years from the effective date of the California Energy Commission's (Energy Commission) decision. An applicant may request and receive an Energy Commission order of an extension for good cause prior to the commencement of the construction deadline. (Cal. Code Regs., tit. 20, § 1720.3.)

DISCUSSION

Through its petition and these proceedings, Caithness has stated that the five-year extension would allow Blythe II to be responsive to requests for proposal requirements that would allow for delivery as late as 2018. Caithness also noted that a five-year extension will keep Blythe II in a position to be responsive to the needs of CAISO and local utilities and that a three-year extension would not provide enough time for Blythe II to effectively rebid the project and secure a power purchase agreement.

The Energy Commission approved the 2009 petition to amend in these proceedings, which will ensure that any environmental effects of the project will remain, and will ensure that the project will remain in compliance with all applicable laws, ordinances, regulations, and standards. Additionally, Caithness has stated that they are still committed to continuing its efforts to build this project. Staff therefore supports the petition to extend the deadline to commence construction for an additional five years.

CONCLUSION AND ORDER

Having determined good cause, shown by the petitioner, the Energy Commission hereby grants the petition to extend the start of construction for the Blythe Energy Project, Phase II, from December 14, 2011 to December 14, 2016.

IT IS SO ORDERED.

CERTIFICATION

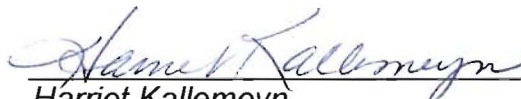
The undersigned Secretariat to the Commission does hereby certify that the foregoing is a full, true, and correct copy of an Order duly and regularly adopted at a meeting of the California Energy Commission held on April 25, 2012.

AYE: Weisenmiller, Douglas, Peterman

NAY: None

ABSENT: None

ABSTAIN: None



Harriet Kallemeyn,
Secretariat