

STATE OF CALIFORNIA

ENERGY RESOURCES CONSERVATION AND DEVELOPMENT COMMISSION

In the Matter of: )  
 )  
Application for Certification For the )  
TID Almond 2 Power Plant )  
\_\_\_\_\_ )

Docket No. 09-AFC-2

<b>DOCKET</b>	
<b>09-AFC-2</b>	
DATE	<u>09/01/2009</u>
RECD.	<u>09/01/2009</u>

**ALMOND 2 POWER PLANT STATUS REPORT #1**

The Committee Scheduling Order issued on August 10, 2009, requested that the parties file monthly status reports to inform the Committee on the progress of the case. This Status Report for the Almond 2 Power Plant (“A2PP”) project, filed by the Turlock Irrigation District (the “District”), addresses the status of the issue discussed in the CEC Staff’s Issues Identification Report dated July 15, 2009, specifically, the System Impact Study (“SIS”) for transmission interconnection. The status report also includes information on the PG&E gas pipeline for the project and the status of responses to the Data Requests issued on August 13, 2009.

On behalf of the District’s ratepayer-owners, the District wants to thank the Commissioners and the Staff for diligently pursuing this Application for Certification (“AFC”). The A2PP project is the keystone in an integrated resource plan that will allow the District to achieve a twenty-eight percent (28%) Renewable Portfolio Standard (“RPS”).

Significantly, this 28% RPS excludes the District’s substantial, zero-carbon large hydroelectric resources. The District generates nearly twenty percent (20%) of the energy its customers require at Don Pedro Dam and Powerhouse hydroelectric facilities. The District also operates a 1.2 megawatt fuel cell, located at the City of Turlock’s Regional Water Quality Control Facility, that converts methane gas into electricity.

The Commission is to be commended for promptly scheduling and holding the Site Visit and Informational Hearing. The District was pleased to host the Commission, Staff, and the public and believes that the meeting reflected the local communities’ enthusiasm for the project. Moreover, the District would like to thank the Staff for their professionalism and attention to detail. The District strives for excellence in all of its endeavors and appreciates that the Commission shares this commitment to advancing the State’s important and interrelated policies related to Greenhouse Gas reduction, RPS implementation, and delivery of safe, reliable and affordable electricity.

## **SYSTEM IMPACT STUDY**

As you know, the District is its own Balancing Authority, responsible for meeting the electric reliability needs of approximately 220,000 people and 97,000 retail accounts in its 662-square-mile electric service area. The District's consultants are preparing the project's System Impact Study, consistent with standards for safe and reliable interconnection of the A2PP project.

The preparation of the SIS initially encountered some unique problems that the District has successfully solved through cooperation with the CAISO. The District and the CAISO are "neighboring" Balancing Authorities. As such, each Balancing Authority needs certain electric system information from other electrically connected Balancing Authorities to be able to fully and accurately model system impacts associated with new generation and transmission. As such, the District and the CAISO needed a mechanism to exchange confidential information between the two balancing Authorities.

While the CAISO had an existing Non-Disclosure Agreement ("NDA") suitable for the CAISO to exchange information with Market Participants, the then-existing CAISO NDA was silent on the exchange of information between neighboring Balancing Authorities. This lack of a suitable NDA was not unique to the District and affected the CAISO's exchange with all other California Balancing Authorities, such as Imperial Irrigation District, LADWP, PacifiCorp-West, SMUD, Sierra Pacific Power Company and WAPA, Lower Colorado Region. Working with the CAISO, the District developed a mutually acceptable NDA that the CAISO can now use with all California Balancing Authorities to allow all Balancing Authorities to exchange information.

The NDA allowed the exchange of confidential information between the District and the CAISO. The NDA was executed on June 22, 2009, and the District's consultants immediately began preparation of the SIS. The District has also been working cooperatively with the CEC Staff to ensure that the SIS meets the Staff's informational needs. Based on the work conducted thus far, the District believes that the A2PP will not cause transmission system impacts or violate reliability standards. It is also anticipated that the A2PP will not require mitigation such as the construction of downstream transmission facilities. The District anticipates the study will be submitted in mid-October.

## **PG&E GAS PIPELINE**

As set forth in the AFC, Pacific Gas & Electric Company ("PG&E") continues to examine the relative strengths of the possible natural gas pipeline alignments. In order to allow the AFC to proceed, two alternatives were presented in the AFC with the same level of detail to allow complete evaluation of both alternatives. Any route not selected will provide further information for the A2PP's Alternatives analysis.

The District continues to work with PG&E, who is seeking to optimize the gas pipeline routing to reinforce PG&E's gas system. Based on initial engineering preferences, a preferred route may emerge that avoids impacts to traffic, utilizing certain less developed areas for this underground project feature. The District has been meeting with PG&E regularly and are awaiting more definitive information from PG&E. Assuming that the preferred routing deviates from the two

routes identified in the AFC, supplemental information would be provided in late September/early October to be folded into Staff's analysis. Again, given the high level of detail already provided, any route not selected will provide further information for the A2PP's Alternatives Analysis. Moreover, initial indications are that any refinements to the routing will avoid or minimize any potential environmental impacts.

## **SUBMITTAL OF DATA RESPONSES**

On August 13, 2009, the Staff issued data requests in the areas of Air Quality, Cultural Resources, Hazardous Materials Management, Public Health, Soil and Water Resources, Traffic and Transportation, Transmission System Engineering, Waste Management, and Worker Safety and Fire Protection. The District's request for additional time or objections, which will be minimal, will be submitted on September 2<sup>nd</sup>, per the Commission's regulations. The District will provide responses to an overwhelming majority of the requests on or before September 11<sup>th</sup>. In addition, notwithstanding objections to certain Data Requests, and without waiving those objections, the District will provide responses that will satisfy the informational needs of Staff. Of course, the District understands that thorough and timely responses are required to ensure that the Staff can meet its deadlines in producing its Staff Assessment.

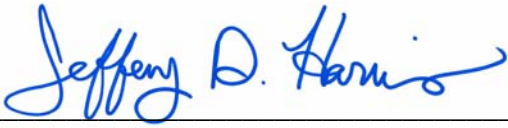
## **CONCLUSION**

The District has not identified any issues it believes would delay the project schedule. The District once again thanks the Commission, the Staff and the public for their thoughtful contributions to date and looks forward to continuing to advance this important project.

Respectfully submitted,

Dated: September 1, 2009

ELLISON, SCHNEIDER & HARRIS L.L.P.

By 

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STATE OF CALIFORNIA

Energy Resources Conservation  
and Development Commission

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**PROOF OF SERVICE**

I, Karen A. Mitchell, declare that on September 1, 2009, I served the attached *Almond 2 Power Plant Status Report #1* via electronic and U.S. mail to all parties on the attached service list.

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



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Karen A. Mitchell

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**09-AFC-2**

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