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California Energy Commission DOCKETED 09-AFC-7C
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California Energy Commission
Dockets Unit
1516 Ninth Street
Sacramento, CA 95814-5512

**Subject: PALEN SOLAR HOLDINGS, LLC'S RESPONSE TO STAFF'S ISSUE IDENTIFICATION REPORT
PALEN SOLAR ELECTRIC GENERATING SYSTEM
DOCKET NO. (09-AFC-7C)**

Enclosed for filing with the California Energy Commission is the electronic version of **PALEN SOLAR HOLDINGS, LLC'S RESPONSE TO STAFF'S ISSUE IDENTIFICATION REPORT**, for the Palen Solar Electric Generating System (09-AFC-7C).

Sincerely,

Marie Fleming

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STATE OF CALIFORNIA

Energy Resources
Conservation and Development Commission

In the Matter of:

DOCKET NO. 09-AFC-7C

Petition For Amendment for Certification
for the **PALEN SOLAR ELECTRIC
GENERATING SYSTEM**

**PALEN SOLAR HOLDINGS, LLC'S
RESPONSE TO STAFF'S ISSUE
IDENTIFICATION REPORT**

Palen Solar Holdings, LLC (PSH), the owner of the Palen Solar Electric Generating System (PSEGS), files this Response to Staff's Issue Identification Report (IIR) in accordance with the Notice of Site Visit and Informational Hearing dated January 30, 2013. PSH and Staff agree that its request to amend the Commission Decision to switch from one concentrated solar thermal technology to another should be processed like an amendment rather than a new Application For Certification (AFC). Further, PSH agrees that the Commission's analysis should focus on those technical areas where the potential impacts would be different for the solar power tower technology (Modified Project) than those analyzed for the original parabolic trough project (Approved Project).

PSH included in its original Petition For Amendment (Petition) and its Supplement No. 1 proposed modifications to Conditions of Certification to accommodate the solar power tower technology. The proposed modifications largely represent confirming the Conditions of Certification to address the following environmental benefits of the PSEGS. Specifically, the Modified Project reduces the project footprint from up to 4,366 acres to approximately 3,896 acres and provides the following environmental benefits:

- Reduces 470 acres of impacts to Desert Tortoise Habitat
- Reduces impacts to Mojave Fringe Toed Lizard Habitat
- Reduces water use from 300 acre feet per year (AFY) to 201 AFY

- Reduces water use during construction from 5,750 acre feet to 1,130 acre feet
- Reduces grading from a total of 4.5 million cubic yards of cut and fill to 0.2 million cubic yards of cut and fill
- Reduces grading across the solar field thereby reducing direct and indirect impacts to washes
- Reduces impacts by eliminating the relocation of existing SCE 161 kV transmission line
- Aligns the project generation tie-line to be adjacent to the existing Nextera Desert Sunlight transmission line.

SCHEDULE

The PSEGS has been assigned to a current CPUC approved Power Purchase Agreement (PPA). To achieve a commercial operation date by June 2016, PSH proposes to commence construction activities on the PSEGS in 2013 which will require desert tortoise surveys and clearing activities during the Fall 2013 Desert Tortoise Survey Window. This commercial operation date is critical to support financing obligations to ensure the PSEGS qualifies for the Investment Tax Credit which will expire in 2016 and to meet the obligations of the PPA.

PSH agrees with the Proposed Schedule contained in Staff's IIR because it allows PSEGS to meet the Fall 2013 desert tortoise clearance window. However, to ensure that the process is proceeding and to provide Committee oversight, PSH requests that the schedule reflect at least one Status Conference be set in April, after the April 8 Data Response and Issue Identification Workshop.

SCOPE OF ANALYSIS

PSH also agrees in general with the IIR's description of the scope of the amendment process as it appears that Staff is evaluating the potential change in impacts between the parabolic trough project as approved in the Final Decision and the PSEGS. PSH will work closely with Staff to answer its data requests and work proactively in workshops to resolve the issues identified in the IIR. PSH provides the following responses to the issues raised by Staff in its IIR.

BIOLOGICAL RESOURCES

PSH filed a Supplement No. 1 to its Petition on February 8, 2013; however it appears that Staff was unable to review it before preparing its IIR. The Supplement No. 1

included mapping of the habitat affected by the PSEGS reduced footprint¹ and proposed modifications to the Conditions of Certification associated with the new footprint.

Additionally, although PSH believes that the potential impacts associated with solar flux are overstated, PSH has proposed a comprehensive suite of mitigation measures that includes habitat compensation, enhancement and conservation measures, and implementation of a comprehensive monitoring program with adaptive management.² PSH looks forward to working with Staff and the Commission to provide feasible and reasonable mitigation.

Staff indicates in its IIR that there may be a need to conduct additional biological surveys. While PSH is not opposed to gathering information that may be helpful in assessing impacts and developing appropriate mitigation, PSH looks forward to working with Staff to tailor any additional data collection narrowly in light of the mitigation measures being proposed. PSH strongly believes that multi-season collection of avian point counts may not be necessary to develop and implement comprehensive mitigation, enhancement, conservation, avoidance and adaptive management techniques. At this time, PSH is developing a monitoring and adaptive management plan consistent with the plan being reviewed in the Ivanpah compliance process. By building on the lessons learned in development of the Ivanpah plans, PSH is confident that it and Staff can reach agreement on the Conditions of Certification appropriate to the PSEGS and its environment.

At this time, PSH believes that enough information is known about the biological environmental baseline of the PSEGS site to enable the Commission to approve its Petition for Amendment.

CULTURAL RESOURCES

PSH has performed an additional geoarchaeology study for the PSEGS site subsequent to issuance of the Commission Final Decision. The study was docketed under a Request for Confidentiality on January 31, 2013. PSH understands that the Staff may need additional data to address the potential impacts of the project on cultural resources that may be affected by the visual effects of the towers and the potential impacts associated with the natural gas pipeline and modification to the transmission

¹ PSH also provided CEC Staff with the electronic shape files on which the maps were based.

² PSH Supplement No. 1, Proposed Conditions of Certification BIO-A, BIO-B and BIO-C.

line corridor. PSH will work closely with Staff to provide useful information in order to enable it to complete its analysis.

SOIL AND WATER RESOURCES

Staff and PSH agree that the PSEGS will reduce impacts to washes associated with reduced grading. In its Supplement No. 1, PSH has prepared a hydrology report analyzing the pre- and post-construction drainage. PSH will be filing a draft SWPPP and DESCP on or before March 1, 2013. PSH believes that the PSEGS will reduce Soil & Water impacts compared to the Approved Project.

TRAFFIC AND TRANSPORTATION

PSH understands Staff's request for a glint and glare study and will work closely with the Staff to understand the specific scope. PSH is in the process of filing the FAA 7460 forms and will docket the results of the FAA review when available.

However, PSH does not believe that the Riverside County Airport Land Use Commission has authority over the PSEGS because the project is situated on federal land and also because it is not within any Airport Land Use Compatibility Plan. The closest airport is the Desert Center airport and its Master Plan does not extend to lands near the project.

VISUAL RESOURCES

As part of its Supplement No. 1 submitted on February 8, 2013, PSH provided visual simulations for each of the original Key Observation Points (KOPs). While PSH agrees to perform additional visual simulations from locations that may be potentially affected by the towers, PSH would appreciate receiving such input quickly as visual simulations take some lead time to prepare.

CONCLUSION

PSH looks forward to working with the Commission, BLM and the resources agencies to bring this very important renewable energy project to fruition. The PSEGS has an approved PPA, has an executed Large Generator Interconnection Agreement, is in a BLM-approved SEZ, and incorporates all of the mitigation and resolution of issues achieved during the original licensing process.

PSH respectfully requests for the Commission to adopt a Scheduling Order consistent with Staff's Proposed Schedule with the addition of a Status Conference in April 2013.

Dated: February 19, 2013

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Scott A. Galati", with a horizontal line extending to the right from the end of the signature.

Scott A. Galati
Counsel to Palen Solar Holdings, LLC



**BEFORE THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT
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**AMENDMENT
FOR THE PALEN SOLAR ELECTRIC
GENERATING SYSTEM**

**Docket No. 09-AFC-7C
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(Revised 2/15/13)**

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DECLARATION OF SERVICE

I, Marie Fleming, declare that on February 19, 2013, I served and filed copies of the attached **PALEN SOLAR HOLDINGS, LLC'S RESPONSE TO STAFF'S ISSUE IDENTIFICATION REPORT**, dated February 19, 2013. This document is accompanied by the most recent Proof of Service, which I copied from the web page for this project at: <http://www.energy.ca.gov/sitingcases/palen/compliance/>.

The document has been sent to the other parties in this proceeding (as shown on the Proof of Service) and to the Commission's Docket Unit, as appropriate, in the following manner:

(Check one)

For service to all other parties and filing with the Docket Unit at the Energy Commission:

- I e-mailed the document to all e-mail addresses on the Service List above and personally delivered it or deposited it in the US mail with first class postage to those parties noted above as "hard copy required"; **OR**
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I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that I am over the age of 18 years.

Dated: February 19, 2013



Marie Fleming