TN 71458 JUN. 28 2013



BEFORE THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT COMMISSION OF THE STATE OF CALIFORNIA 1516 NINTH STREET, SACRAMENTO, CA 95814 1-800-822-6228 – www.energy.ca.gov

BOTTLE ROCK GEOTHERMAL POWER PLANT AMENDMENT

Docket No. 79-AFC-04C

COMMITEE SCHEDULING ORDER, ORDER GRANTING PETITION TO INTERVENE, AND OTHER ORDERS

Background

Bottle Rock Power, LLC (BRP) filed a Petition to Amend the Energy Commission Decision for the Bottle Rock Geothermal Power Plant Project (Project) on March 8, 2013. The Project is located in the unincorporated area of Cobb Mountain in Lake County, California, at 7385 High Valley Road, Cobb, California. It is a 55-megawatt electricity generating facility powered by geothermal steam, certified (permitted) by the Energy Commission on November 5, 1980.

The Petition to Amend proposes removal of a requirement that Bottle Rock maintain a \$5 million closure bond to fund the decommissioning of the Project following its permanent closure. Conditions of Certification in Biology (5-2), Soils (8-4), and Civil Engineering (9-5) regarding decommissioning requirements would be replaced with three updated Conditions addressing planned and unplanned closures and a new "Decommissioning Financial Assurances" Condition added.

The Energy Commission assigned this Committee of two Commissioners to conduct proceedings on the amendment. The Committee held a public Site Visit and Committee Conference at the Project site on May 31, 2013, to discuss the review process and to identify issues that could affect the schedule.

Scope of Issues

BRP, in proposed new Condition Compliance-4, proposes that the amount of future decommissioning costs and the appropriate method of providing funding for those costs (financial assurances) be established following approval of the Petition to Amend. Within six months of approval, BRP would submit a Preliminary Decommissioning Scoping Plan (PDSP) to the Compliance Project Manager (CPM) for approval. Within 90 days of the PDSP's approval, BRP would follow with a Decommissioning Funding Plan for CPM approval.

Rather than postpone the discussion of future decommissioning costs and funding methods to a later time as BRP proposes, we believe that this proceeding is the proper forum for those determinations. The Amendment Petition results from a Complaint proceeding (12-CAI-04) regarding the elimination of a \$5 million bond that had been in place to provide financial assurances for decommissioning. No financial assurances presently exist. Deciding the questions now reduces process delay and saves time for the Energy Commission, Staff, BRP, and the parties.

We recommend that the parties focus on evidence and analysis relevant to the determination of:

- The appropriate scope and level of post-closure remediation;
- The costs of such remediation: and
- The appropriate method of providing funding for the remediation.

Schedule

The attached Committee Schedule is based on Staff's proposed schedule, as modified by Staff's June 21, 2013 updated recommendations and related discussions at the Committee Conference. BRP requested that Staff's proposed workshop on the Staff Assessment and a possible Supplemental Staff Assessment be removed from the schedule. Given the significant level of public interest in this Project and our desire to incorporate a determination of the decommissioning costs and funding into this proceeding, we believe that a workshop will be a productive forum to better define the scope of issues to be addressed during our hearing. It will also allow the public to ask questions and better understand the positions of the parties. The workshop and possible Supplemental Staff Assessment (SSA) therefore remain on the schedule. We are, however, asking Staff to indicate whether or not they intend to publish an SSA; if they do not, it may be possible to advance the remainder of the schedule to some degree.

The Committee may modify the schedule at any time upon either its own motion or that of a party. (Cal. Code Regs., tit. 20, § 1709.7 (c).)

Formality of Hearings

The Committee intends to conduct the hearings on Staff's assessment and recommendations using an informal procedure. The parties will identify witnesses and exhibits prior to the hearing. During the hearing, all of the witnesses for a topic will be seated as a panel to answer questions from the parties and the Committee. While a question can be directed to a particular witness in the first instance, the other panelists may also answer the question if they choose. Panelists may also ask questions of each other. This format has been effective in

recent cases, providing a more coherent discussion of the issues that is easier to follow for the parties, public and the Committee.

Staff to Compile Conditions

During the Committee Conference, the Committee asked whether a compilation of the Conditions of Certification as they presently exist after previous amendments, would be helpful. Given the affirmative response, we request that Staff publish such a compilation along with its Staff Assessment. No later than their prehearing identification of witnesses and exhibits, the parties shall identify any corrections necessary to accurately reflect the current state of the Conditions. We encourage the parties to discuss their proposals during the Staff Assessment Workshop; any unresolved differences will be discussed during the Committee Hearing. We intend to create a current set of conditions for convenient reference, not to revisit conditions that are unrelated to this amendment request.

Status Reports and Status Conferences

The attached schedule requires status reports to be submitted by all parties. Those status reports shall inform the Committee whether or not case development is progressing satisfactorily, and bring potential schedule delays and other relevant matters to the Committee's attention. In its status report following the close of the Staff Assessment comment period, Staff shall indicate whether or not it will be filing a Supplemental Staff Assessment. If Staff decides not to file the Supplement, the Committee may advance the subsequent dates.

The reports shall be received by the other parties and the Commission's Docket Unit, 1516 Ninth Street, MS-4, Sacramento, California 95814-5512, **and must be filed no later than 3:00 p.m.** on the due date. Status reports must contain "Docket No. 79-AFC-04C" in the caption or heading.

Petition to Intervene—Friends of Cobb Mountain

During the May 31, 2013 Committee Conference, the Friends of Cobb Mountain (Friends) indicated its intention to intervene in this proceeding. After polling the existing parties and hearing no objections, the Committee finds that the Friends' interests are relevant to this proceeding and grants them intervenor status, represented by Donald Mooney.

Public Adviser and Public Participation

The Energy Commission invites members of the public and other interested parties to participate either on an informal basis or by intervening in the proceeding. Both types of participation allow written and oral comments. At the informal participation level, written and oral public comments are considered by the Commissioners and are part of the record, but are not part of the formal

evidentiary record. Intervenors have the right to introduce evidence into the evidentiary record and cross-examine the other parties' witnesses.

The Energy Commission's Public Adviser's Office is available to provide the public with an understanding of a proceeding and to make recommendations for meaningful participation. For assistance, contact the Public Adviser's Office at (916) 654-4489 or (800) 822-6228 or e-mail at: publicadviser@energy.ca.gov.

Contact Information

Questions of a legal or procedural nature should be directed to Paul Kramer, the Chief Hearing Adviser, at (916) 654-5103 or e-mail: paul.kramer@energy.ca.gov.

Technical questions concerning the Project should be addressed to Camille Remy Obad, Compliance Project Manager, at (916) 654-3940 or e-mail: camille.remy-obad@energy.ca.gov.

Media inquiries should be directed to the Office of Media and Public Communications at (916) 654-4989 or e-mail at: mediaoffice@energy.ca.gov.

Information concerning the status of the Project, as well as notices and other relevant documents, may be viewed on the Energy Commission's Internet web page at: http://www.energy.ca.gov/sitingcases/bottlerock/documents/index.html.

Dated: June 28, 2013, at Sacramento, California.

Original Signed By:

KAREN DOUGLAS

Commissioner and Presiding Member Bottle Rock Amendment Committee Original Signed By:

JANEA SCOTT

Commissioner and Associate Member Bottle Rock Amendment Committee

COMMITTEE SCHEDULE BOTTLE ROCK GEOTHERMAL POWER PLANT AMENDMENT 79-AFC-04C

ACTIVITY	DATE
Site Visit and Committee Conference	5-31-13
Data Requests Served	7-2-13
Bottle Rock Files Responses to Data Requests	7-29-13
Parties File Status Reports	8-9-13
Staff Assessment Filed	8-30-13
Staff Assessment Workshop	9-13-13 *
Staff Assessment Comment Period Closes	9-20-13
Parties Submit Status Reports, Staff Reports Whether It Will File a Supplemental Staff Assessment	9-27-13
Supplemental Staff Assessment (if necessary) Filed	10-21-13
Parties Prehearing Statements Identifying Witnesses, Exhibits, and Issues Filed	11-4-13
Committee Hearing	11-14-13 *
Proposed Decision Issued	12-06-13 *
Proposed Decision Considered at Commission Business Meeting	January 2014

^{*} approximate date (actual date to be determined by staff or the Committee, as appropriate)



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BOTTLE ROCK GEOTHERMAL POWER PLANT AMENDMENT

DOCKET No. 79-AFC-04C PROOF OF SERVICE (REVISED 06/28/2013)

SERVICE LIST:

PETITIONER/PROJECT OWNER

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PROJECT OWNER'S COUNSEL

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John A. McKinsey Locke Lord LLP 500 Capitol Mall, Suite 1800 Sacramento, CA 95814 jmckinsey@lockelord.com

PROJECT LANDOWNER

V.V. & J. Coleman LLC c/o Mark Peterson Diepenbrock Elkin LLP 500 Capitol Mall, Suite 2200 Sacramento, CA 95814 mpeterson@diepenbrock.com

INTERVENERS

COMPLAINANT in related case 12-CAI-04 David Coleman 3733 Canon Avenue Oakland, CA 94602 redandcurly@yahoo.com *Friends of Cobb Mountain c/o Hamilton Hess 255 Ursuline Road Santa Rosa, CA 95403 Hesshab@aol.com

Counsel for Friends of Cobb Mountain and David Coleman

Donald B. Mooney 129 C Street, #2 Davis, CA 95616 dbmooney@dcn.org

INTERESTED AGENCIES

California ISO e-recipient@caiso.com

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<u>ENERGY COMMISSION –</u> PUBLIC ADVISER

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COMMISSION DOCKET UNIT

California Energy Commission - Docket Unit Attn: Docket No. 79-AFC-04C 1516 Ninth Street, MS-4 Sacramento, CA 95814-5512 docket@energy.ca.gov

OTHER ENERGY COMMISSION PARTICIPANTS (LISTED FOR CONVENIENCE ONLY):

After docketing, the Docket Unit will provide a copy to the persons listed below. <u>Do not</u> send copies of documents to these persons unless specifically directed to do so.

KAREN DOUGLAS Commissioner and Presiding Member

JANEA SCOTT Commissioner and Associate Member

Paul Kramer Chief Hearing Adviser

Galen Lemei Adviser to Presiding Member

Jennifer Nelson Adviser to Presiding Member

Jim Bartridge Adviser to Associate Member

Eileen Allen Commissioners' Technical Adviser for Facility Siting

DECLARATION OF SERVICE

I, Maggie Read, declare that on June 28, 2013, I served and filed copies of the attached **COMMITTEE** SCHEDULING ORDER, ORDER GRANTING PETITION TO INTERVENE, AND OTHER ORDERS dated June 28, 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/bottlerock/.

ith the Docket Unit at the Energy Commission:
ail addresses on the Service List above and personally delivered it or t class postage to those persons noted above as "hard copy required";
personally delivered it or deposited it in the US mail with first class Service List for whom a mailing address is given.
ws of the State of California that the foregoing is true and correct, and
Original Signed By: Maggie Read Hearing Office