

Memorandum

Date : November 26, 2002

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To : John L. Geesman, Commissioner and Presiding Member
William J. Keese, Chairman and Committee Member

From : **California Energy Commission** - Bob Eller
1516 Ninth Street Project Manager
Sacramento, CA 95814-5512

Subject : **PALOMAR ENERGY PROJECT (01-AFC-24) STATUS REPORT NO. 8**

Pursuant to the Committee's Revised Scheduling Order of August 29, 2002, the following is staff's status report on the proposed Palomar Energy Project.

Since the October 24, 2002 status report, staff has worked to complete their analysis of the project for the Final Staff Assessment (FSA). Staff has also worked closely with the City of Escondido as they prepared the local land use entitlement applications for the Escondido Research and Technology Center which will serve as the host for the PEP.

On November 19, the City's Planning Commission reviewed and recommended approval of the Specific Plan for the Escondido Research and Technology Center (ERTC). The Escondido City Council gave final approvals necessary for the construction of the ERTC during a special session last night. Based on this approval, and completion of the required mitigation packages, the developer will have the permits required to begin grading for the ERTC.

CURRENT DATA REQUEST/DATA RESPONSES

STAFF

At the October 22 workshop, staff requested additional information regarding the PM₁₀ mitigation proposed by Palomar Energy. Staff received this information on November 4.

INTERVENORS

Applicant's responses to Intervenor Bill Powers' data requests appear complete.

ISSUES

The Preliminary Staff Assessment (PSA) identified specific issues in the areas of air quality, biological resources, and transmission system engineering. Staff believes that both the biological resource and transmission system engineering issues will be resolved prior to the release of the Final Staff Assessment (FSA).

Staff continues to seek appropriate mitigation for the air quality impacts identified in the PSA.

Intervenor Bill Powers filed a motion with the Committee requesting a Committee Workshop on alternative cooling options. The Committee denied this request, but directed staff to schedule discussion of alternative cooling options at the next public workshop on the PSA and to include an analysis of alternative cooling options in the FSA. The Committee also directed the applicant to submit information on the advantages and disadvantages of dry cooling for this project. The applicant provided this information on November 13.

Staff included a presentation by Mr. Powers, and a discussion of alternative cooling issues, at the October 22 workshop. Staff will consider the information provided by Mr. Powers on potential issues with the proposed cooling system in the FSA, along with the information provided by the applicant. Staff will include a discussion of a dry cooling alternative in the FSA.

PROJECT SCHEDULE

Many of the events on the Committee's revised schedule are now overdue. As we previously reported, the San Diego Air Pollution Control District's Final Determination of Compliance (FDOC) was not submitted in early September. In September, the District informed staff that it did not expect to release the FDOC until late October. However, staff has not yet received the FDOC. According to District staff they now expect to release the FDOC by November 27.

The Committee's revised schedule also assumed that the City of Escondido would release the Final Environmental Impact Report (FEIR) for the Escondido Research and Technology Center (ERTC) Specific Plan in mid-October, and would certify the FEIR and act on the Specific Plan Amendment in mid-November. As noted earlier, the City completed their review with the approval of the Specific Plan Amendment by the City Council last night. As a part of that action the FEIR was certified.

The Committee's revised schedule required that the applicant submit all Critical Path items by mid-November. These items included the approved ERTC Specific Plan Amendment, FDOC, a complete offset package, PM₁₀ mitigation plan, data necessary to complete an analysis for Environmental Justice (EJ), resolution of transmission system mitigation issues, and a Biological Mitigation and Monitoring Plan. Staff believes that the applicant has provided the PM₁₀ mitigation plan, data necessary for an EJ analysis, and the information needed to resolve transmission system related issues. However, the remaining items, including a Biological Mitigation and Monitoring Plan and a complete offset package, have not yet been filed. The applicant has verbally informed staff of their intent to file these materials next week. They have also stated that the FDOC will contain an emissions cap based on the previously submitted offset information.

John L. Geesman, Commissioner and Presiding Member
William J. Keese, Chairman and Committee Member
November 26, 2002
Page 3

The most critical remaining item is the FDOC. Because of the time needed to complete review of the FDOC and offset package, staff will require four weeks from release of the FDOC to complete its FSA. If other critical path items remain outstanding when the FDOC is filed, staff will need three weeks after the applicant completes the filing of these Critical Path materials.