

Memorandum

Date : October 24, 2002

Telephone: (916) 651-8835

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. 7**

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 staff's September 25, 2002 status report, staff conducted a workshop in Escondido on October 22 to discuss the applicant's proposed PM₁₀ mitigation plan and to discuss the alternative cooling options requested by Intervenor Bill Powers.

CURRENT DATA REQUEST/DATA RESPONSES

STAFF

At the October 22 workshop, staff requested additional information regarding the PM₁₀ mitigation proposed by Palomar Energy. Staff expects to receive this information the week of October 28.

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. These issues were the central focus of the discussion at staff's two PSA workshops. Staff believes that both the biological resource and transmission system engineering issues can be resolved prior to the release of the Final Staff Assessment (FSA).

Since the previous status report, the applicant filed a revised PM₁₀ mitigation plan on October 15. This plan was discussed at the October 22 workshop. Staff continues to work with the applicant to identify appropriate mitigation for the air quality impacts identified in the PSA. As noted above, the applicant will file additional information on PM₁₀ mitigation during the week of October 28.

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. 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 to be provided by the applicant. Staff will include a discussion of a dry cooling alternative in the FSA.

PROJECT SCHEDULE

Two of the events on the Committee's revised schedule have slipped since our last status report. As we reported last month, the San Diego Air Pollution Control District's Final Determination of Compliance (FDOC) was not submitted in early September. The District has informed staff that it does not expect to release the FDOC until late October.

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 would act on the Specific Plan Amendment in mid-November. Staff has been informed that the FEIR will be released during the week of October 28, a slip of approximately two weeks. Staff will need one month from the release of the FEIR and two weeks from the City Council's action on the Specific Plan, assuming no significant changes are made to the FEIR or Specific Plan as part of that action, before the FSA can be released. Staff will attempt to meet the Committee's proposed late November release date for our FSA. However, based on the delay in receiving the City's FEIR for the ERTC Specific Plan and uncertain timing on the City's action on the Specific Plan, we may be unable to release the FSA until at least mid-December.