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M e m o r a n d u m

To: Commissioner Noemi Gallardo, Presiding Member
Commissioner Andrew McAllister, Associate Member

Date: December 24, 2024

From: California Energy Commission
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Subject: STATUS REPORT #15 FOR MORTON BAY GEOTHERMAL PROJECT (23-AFC-01)

The Presiding Member’s Scheduling Order for the Morton Bay Geothermal Project (MBGP) Proceeding filed on September 15, 2023, orders the parties to file a status report on “October 31st, and by the last business day of every month thereafter.” The California Energy Commission (CEC) staff is further ordered to “include summaries of the progress of discovery in each monthly report, including descriptions of significant communications with other federal, state, and local agencies, and tribal governments, and identify any factors that may impact the schedule of the proceeding. Status reports shall also include a description of the outcome of any public workshop or other meeting held during that month.”

Summary of Progress of Discovery and Known Issues

On November 26, 2024, CEC staff filed Notice of Public Workshop on Tribal Mitigation (Continued) December 9, 2024, (TN 260301)

On December 3, 2024, CEC staff filed, MBGP follow up from workshop discussion regarding additional information needs, 5th request (TN 260393)

On December 4, 2024, Jacobs filed on behalf of the applicant, Morton Bay Geothermal Project Revised General Arrangement Refinement 2 - Preliminary Figures (TN 260471)

On December 5, 2024, Jacobs filed Imperial County Alternate Flood Protection Plan Letter (TN 260505)

On December 5, 2024, Jacobs filed Morton Bay Geothermal Project Hydraulic Modeling Report (TN 260506)

On December 6, 2024, Imperial Irrigation District filed Imperial Irrigation District Comment on the Proposed Obsidian Butte Conservation Easement (TN 260520)

On December 13, 2024, Jacobs filed Morton Bay Geothermal LLC Response to Workshop Follow Up Informal Data Request Set 3 (TN 260535)

On December 13, 2024, CEC staff filed 2nd Tribal PSA Workshop (Continuation)- Presentation (TN 260632)

On December 13, 2024, Jacobs filed Morton Bay Geothermal LLC Response to Workshop Follow Up Informal Data Request Set 4 (TN 260641)

On December 16, 2024, Valle Unido filed Valle Unido Coalition Letter in Support of the Southeast Lake Cahuilla Active Volcanic Cultural District (TN 260667)

On December 18, 2024, CEC staff filed Staff Response to Committee Orders [Cultural and Tribal Cultural Resources] (TN 260729)

Description of Outcomes of December 9 Workshop

At a public workshop conducted in accordance with California Code of Regulations, title 20, section 1711, held in Imperial, California on December 9, 2024, CEC staff, California Native American representatives, the applicant, and the intervenors discussed and considered possible revisions to staff's conclusions for various topics in the Preliminary Staff Assessments (PSAs), including Visual Resources, Project Description, Air Quality, Water Resources, Cultural and Tribal Cultural Resources, Cumulative Impacts, and conditions of certification (COCs). Detailed topics of discussion included suggested relocation/reorientation of the plant site to minimize visual impacts to sensitive tribal cultural resources, and the potential for conservation easement(s) as mitigation, including easement placement and duration of an easement. CEC staff and the applicant also discussed the appropriateness of air modeling data related to new U.S. EPA requirements for PM 2.5 (particulate matter), where certain other necessary data would be sourced, and remodeling air quality impacts associated with the relocated project cooling towers. The public, tribal representatives, agency representatives, and intervenors had multiple opportunities to provide oral feedback throughout the workshop.

Schedule Impacts

Information requested by CEC staff, primarily in the areas of Air Quality (Public Health, greenhouse gases (GHG)), Biological Resources, and Cultural and Tribal Cultural Resources, to inform staff's analyses that remains outstanding and would affect the schedule is as follows. Overall, the applicant's continued inability to provide the requested data, studies, and reports (see below), as well as, in at least one instance, their decision to decline providing data requested by staff, continues to hinder CEC staff's ability to timely develop a quantifiable baseline setting of environmental impacts, against which to perform required analyses.

Additional information is not yet with CEC staff due to actions of agencies or entities other than applicant. Without the necessary information, the Final Staff Assessment (FSA) is unable to fully evaluate the effects of the projects and provide comprehensive, valid recommendations, ultimately requiring the committee to engage in further factual development, potentially delaying the hearings and subsequent determination on the application.

- Air dispersion modeling, public health impacts, and GHG: CEC staff is working hard to address remaining outstanding comments on the PSAs and has received the applicant's revised project description containing revisions to the orientation of the cooling towers, as requested by tribes during workshops. The project revision, received on December 4, 2024, requires re-modeling of air quality and public health impacts. The full and accurate picture of existing conditions is best described by using data from two meteorological sources, but the applicant has declined CEC staff's request for modeling using one source, specifically the meteorological data from the Sonny Bono meteorological station, approximately two miles away. The applicant has agreed to provide only modeling data from the Imperial County Airport meteorological station, more than 20 miles distant, by the end of December 2024. CEC staff will need to do its own modeling using the Sonny Bono data, after receiving the modeling parameters for the reoriented cooling tower analysis and will require several weeks to undertake independent modeling analysis. Without this modeling, the more complete picture of the baseline environmental condition is not fully known and so impacts cannot be fully assessed and described for the committee. In addition, CEC staff is considering the inclusion of additional COCs related to GHG emissions. The aforementioned air quality/public health/GHG-related issues may impact schedule.
- Biological resources: CEC staff continues to address biological resources issues to ensure potentially affected species populations are protected and that project impacts are mitigated following workshop discussions. In response to CEC staff's informal information request, Set 4, the applicant expects to submit an agricultural flow return assessment for Yuma Ridgway's Rail and desert pupfish at all three projects and a biological assessment for impacts to rails at MBGP in early 2025. This information is important in understanding impacts to federal and state listed Yuma Ridgway's Rail and desert pupfish. After receipt of this information, CEC staff's coordination with California Department of Fish and Wildlife (CDFW) and U.S. Fish and Wildlife Service is needed to get their input on the applicant's analysis, and on COCs that may reduce these impacts. Depending on when the information is submitted, and the length of time for agency staff to review and coordinate, there is the potential for schedule impacts.
- Nitrogen deposition modeling: CEC staff has requested data from the applicant to inform revised Nitrogen deposition modeling for impacts to species, also as a result of reorienting the cooling towers. This data is needed to update the Nitrogen Emission and Deposition Impacts section of the FSA and to analyze

sensitive natural communities and significant regional protected areas. This has the further potential to impact schedule.

- Burrowing Owl: CEC staff is coordinating with partnering agencies (related to the recent decision by the California Fish and Game Commission listing the burrowing owl as a candidate under the California Endangered Species Act) to develop potential mitigation (COCs). Given the recent candidate for listing, the timeline for development of conditions is uncertain and therefore has the potential to impact schedule. Without CDFW guidance on mitigation /compensatory mitigation (if available), the FSA would be either incomplete or contain mitigation that would potentially severely hamper development of the project due to the presence of the species on the project site. Moving forward with an FSA without the benefit of CDFW determinations would require the committee to resolve the matter at a later stage in the proceeding.
- Tribal Cultural information, analysis and impacts: CEC staff is continuing to develop mitigation that will minimize impacts of the proposed projects on resources of concern to California Native American tribes. CEC staff is continuing to engage tribal leadership in consultation on issues of concern. On December 18, 2024, CEC staff filed its Staff Response to the committees' questions regarding nomination of the Southeast Lake Cahuilla Active Volcanic Cultural District, in accordance with the Committee's Revised Joint Scheduling Order and Request for Information Regarding Cultural and Tribal Cultural Resources filed on December 9, 2024. The complete evaluation of project impacts on cultural and tribal cultural resources is not yet complete as communication with consulting tribes is ongoing.
- Water baseline information: Reports and studies including an independent Study of Impacts on the Salton Sea resulting from anticipated reductions in water flows, and a decision on a Federal Emergency Management Agency Letter of Map Revision for flood determination remain unsubmitted and unreviewed since summer 2024. The Salton Sea study is a document, as CEC staff understands, produced by the joint efforts of the applicant and Imperial Irrigation District (IID). The document was first requested in July 2024. The diversion of agricultural water to industrial use reduces runoff into the Salton Sea, and CEC staff must receive the data describing the baseline and the projected impacts from the industrial use to provide the committee with a sufficient recommendation on the impacts and any available mitigation if needed to reduce those impacts. Once submitted, the reports must be analyzed by CEC staff for project implications. This is a limiting factor on CEC staff's ability to complete FSA sections, potentially affecting schedule.

CEC staff will continue to follow the directives of the September 15, 2023, April 12, 2024, July 26, 2024, and December 9, 2024, Scheduling Orders and provide regular updates to the Committee.