

DOCKETED

Docket Number:	23-AFC-01
Project Title:	Morton Bay Geothermal Project (MBGP)
TN #:	261639
Document Title:	Applicant's Motion for Suspension of Application for Certification Proceeding for the Morton Bay Geothermal Project
Description:	N/A
Filer:	Amanda Cooley
Organization:	Ellison Schneider Harris & Donlan LLP
Submitter Role:	Applicant Representative
Submission Date:	2/7/2025 4:15:01 PM
Docketed Date:	2/7/2025

STATE OF CALIFORNIA
Energy Resources Conservation
and Development Commission

In the Matter of:

Application for Certification for the
Morton Bay Geothermal Project

Docket No. 23-AFC-01

**APPLICANT’S MOTION FOR SUSPENSION OF APPLICATION FOR CERTIFICATION
PROCEEDING FOR THE MORTON BAY GEOTHERMAL PROJECT**

Pursuant to Section 1211.5 of the California Energy Commission (“CEC”) Rules of Practice and Procedure,¹ and consistent with the *Revised Joint Scheduling Order and Request for Information Regarding Cultural and Tribal Cultural Resources*,² Morton Bay Geothermal LLC (“Applicant”) hereby submits the above-titled Motion for the Committee to issue an order suspending the Application for Certification (“AFC”) proceeding for the Morton Bay Geothermal Project (“MBGP”) until the Applicant files a notice requesting the proceeding to resume.

I. BACKGROUND

On April 18, 2023, the Applicant filed the AFC for the MBGP, a 140-net megawatt geothermal power plant located within the Salton Sea Known Geothermal Resource Area (“Salton Sea KGRA”).³ On July 26, 2023, the CEC deemed the AFC complete, commencing the 12-month timeline to reach a decision on the AFC as required by Public Resources Code section 25540.2.⁴ At the outset of the AFC proceeding, the Applicant noted that a timely decision in this proceeding is critically necessary to meet the resource needs of California,⁵ and has diligently worked to be responsive to requests for information from CEC Staff, intervenors, and other agencies.⁶ The Applicant has also diligently worked to be responsive to tribal representatives and members of the public and has incorporated design features and

¹ As set forth in Title 20, Division 2, Chapter 2 of the California Code of Regulations.

² TN#: 260571.

³ TN#: 249723.

⁴ CEC Order No. 23-0726-3b, p. 2 (TN#: 251219).

⁵ *Applicant’s Response to CEC Staff’s Issues Identification Report and Proposed Schedule*, p. 3 (TN#: 251876).

⁶ For example, the Applicant has responded to approximately 191 formal and informal data requests from CEC Staff and 221 data requests from Intervenor California Unions for Reliable Energy (“CURE”) relating to the MRGP.

proposed mitigation measures to address identified concerns,⁷ all with the goal of advancing a critically needed baseload renewable energy project. On January 24, 2025, CEC Staff filed a motion to extend the due date for the Final Staff Assessment (“FSA”) for the MBGP.⁸ On January 31, 2025, the Applicant filed its response to CEC Staff’s motion stating that while it did not object to the motion, certain informational requests are outside of the Applicant’s control, and therefore, it viewed the extension as effectively indefinite at this time.⁹ On February 5, 2025, the Committee issued its *Second Revised Joint Scheduling Order and Order Granting Staff’s Motion to Extend Due Dates* (“Second Revised Order”), which granted CEC Staff’s motion and ordered the filing of an itemized list and description of all outstanding information needed for CEC Staff to complete the MBGP FSA.¹⁰

The Applicant pursued development of MBGP following the California Public Utility Commission’s (“CPUC”) Mid-Term Reliability Decision 21-06-035 and subsequent decisions (“Mid-Term Reliability Decision”), viewing it as a signal from the State of California of its need and support for baseload renewable generation.¹¹ The Mid-Term Reliability Decision ordered load-serving entities (“LSEs”) subject to the CPUC’s integrated resource planning authority to procure 1,000 megawatts, collectively, of Renewables Portfolio Standard-eligible resources, excluding storage, with a capacity factor of at least 80% (firm) and without use limitations or weather dependence.¹² The MBGP is an eligible long-lead time resource as defined by the Mid-Term Reliability Decision¹³ with a projected \$1.39 billion in economic benefits to the regional economy, including many disadvantaged communities, from construction and operation.¹⁴

However, despite the procurement needs clearly identified in the Mid-Term Reliability Decision, LSEs have not procured “in significant enough volumes to meet long-term GHG goals or increase

⁷ For example, see TN#: 261141.

⁸ TN#: 261286.

⁹ TN#: 261508.

¹⁰ TN#: 261553.

¹¹ Morton Bay Geothermal Project Application for Certification Volume 1 (23-AFC-1), p. 2-1 (TN#: 249723); see also, Joint Environmental Scoping Meeting and Informational Hearing (Docket Nos. 23-AFC-01, 23-AFC-02, 23-AFC-03) 8/31/2023 RT 86: 3-6 (TN#: 252500).

¹² CPUC *Decision Requiring Procurement to Address Mid-Term Reliability (2023-2026)* (D.21-06-035), Ordering Paragraph 2, pp. 94-95 (R. 20-05-003) (June 30, 2021), available at: <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M389/K603/389603637.PDF>; TN#: 249723, pp. 3-9.

¹³ TN#: 249723, pp. 3-9.

¹⁴ TN#: 257612, p. 10.

resource diversity sufficiently.”¹⁵ Based on public data, as of August 8, 2024, only sixty-one percent of the long-lead time, baseload renewable capacity identified in the Mid-Term Reliability Decision has been contracted, with only thirty-seven percent of that procurement represented by conventional geothermal resources, with the remainder comprised of out-of-state enhanced geothermal system resources.¹⁶

Further, new centralized procurement opportunities established as a backup, alternative procurement process under Assembly Bill 1373 (Stats. 2023, Ch.367) and CPUC Decision 24-08-064, *Decision Determining Need for Centralized Procurement of Long Lead-Time Resources*, provides that a maximum of 1,000 megawatts of any type of geothermal electricity generation may be procured by the Department of Water Resources acting as a Central Procurement Entity.¹⁷ Per the CPUC, solicitation opportunities through the Central Procurement Entity for geothermal consistent with Decision 24-08-064 are not anticipated to commence until early 2027.¹⁸ Despite California’s undeniable need for firm, baseload, renewable power to meet its renewable energy and climate policy objectives, and the State’s authority to purchase geothermal energy through the Central Procurement Entity, to date, the MBGP has not been contracted.

The prolonged permitting timeline and lack of offtake agreements in turn affects interconnection of the MBGP, given the high cost and uncertain timeframes associated with interconnection studies and restudies.¹⁹ On June 14, 2024, the Imperial Irrigation District (“IID”) informed the Applicant that, due to the withdrawal of a higher queued project, IID would be reanalyzing the MBGP for purposes of evaluating potential system impacts in accordance with Section 7.6.1 of IID’s Open Access Transmission Tariff (“OATT”).²⁰ On August 14, 2024, the reanalysis remained outstanding, and the Applicant received notice from IID that system impact restudies would be delayed pending IID’s

¹⁵ CPUC *Decision Determining Need for Centralized Procurement of Long Lead-Time Resources* (D.24-08-064), p.78 (R. 20-05-003) (Aug. 29, 2024), available at:

<https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M539/K202/539202613.PDF>.

¹⁶ See, *Comments of BHE Renewables, LLC on the Proposed Decision Concerning the Need and Process for Centralized Procurement of Specified Long Lead-Time Resources* (R. 20-05-003) (Aug. 8, 2024), pp. 2-5, available at:

<https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M537/K765/537765036.PDF>.

¹⁷ CPUC *Decision Determining Need for Centralized Procurement of Long Lead-Time Resources* (D.24-08-064), Ordering Paragraph 1, p. 86 (R. 20-05-003) (Aug. 29, 2024), available at:

<https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M539/K202/539202613.PDF>.

¹⁸ *Id.*, Table 2, p. 64.

¹⁹ For example, see Morton Bay Geothermal Project Status Report No. 11, pp. 1-2 (TN#: 258772); Also see, Imperial Irrigation District Open Access Transmission Tariff, Attachment J, §§ 3.1.1.3, 7.1, 7.5 (Effective December 9, 2024).

²⁰ TN#: 257509.

initiation of a stakeholder process to implement new Transitional Cluster requirements under IID's OATT reform following the Federal Energy Regulatory Commission's Order 2023.²¹ On December 9, 2024, IID's reformed OATT provisions became effective. Options for transmission interconnection and restudy of the MBGP included proceeding with restudy prior to the Transitional Cluster, proceeding as part of the Transitional Cluster, or withdrawing from the interconnection queue.²² After consideration of the AFC proceeding schedule to date, lack of offtake agreement, and changes to IID's OATT, the Applicant has decided that it is not prudent to invest the substantial sums required to perform further studies and commit to transmission network upgrades as part of IID's Transitional Cluster at this time, and expects to be withdrawn from IID's interconnection queue. As a result, the Applicant believes that it is prudent to suspend the AFC proceeding for the MBGP to allow time during the period of suspension to explore transmission interconnection options, secure potential offtake agreements and confirm the viability of geothermal development opportunities in the Salton Sea KGRA.

II. DISCUSSION

Section 1203(c) of the CEC Rules of Practice and Procedure grants the presiding member of a committee broad authority to regulate the conduct of proceedings, including, where needed, determining if a proceeding should be suspended.²³ Suspension of a proceeding can "provide[] an opportunity both for the applicant to address the obstacle and for the Commission to turn its efforts and resources to other matters."²⁴ As detailed above, the CPUC's Mid-Term Reliability Decision was a clear market signal supporting development of the MBGP; yet, to date, despite California's undeniable need for firm, baseload, renewable power, the MBGP has not been contracted. This in turn affects the decision of whether to invest the substantial sums required for MBGP to be studied as part of IID's interconnection queue.

In this case, the Applicant believes it is prudent to suspend the AFC proceeding for the MBGP to facilitate further evaluation of the interconnection options for geothermal resources in the Salton Sea KGRA, energy offtake contracting opportunities, and other development challenges, and to determine whether these are obstacles that can be addressed. No parties would be prejudiced by a suspension of

²¹ TN#: 258772.

²² See, IID OATT § 5.1.1.2.

²³ See, *Order Denying Motion to Terminate; Order Suspending Proceedings; and Third Revised Scheduling Order* (Docket No. 15-AFC-02), p. 4 (TN#: 223626).

²⁴ See, *Committee Order Denying Motion to Terminate and Granting Request for Suspension* (Docket No. 08-AFC-08), p. 2 (TN#: 205238-1).

the proceeding as the proceeding is indefinitely postponed following the Second Revised Order.²⁵ Rather, suspension would enable other parties and the CEC to turn their efforts and resources to other matters. Therefore, for the reasons discussed above, the Committee should issue an order directing suspension of this proceeding.

III. CONCLUSION AND REQUEST FOR ORDER

Given the need for the Applicant to evaluate the substantial and dynamic contracting, permitting, development, and interconnection obstacles facing the MBGP, the Applicant seeks an order from the Committee directing:

- Suspension of the MBGP AFC proceeding, including immediate suspension of CEC Staff's activities relating to the MBGP;
- Filing of quarterly status reports by the Applicant;
- Filing by CEC Staff of the itemized list of outstanding information needed to produce the FSA; and
- Resumption of the proceeding upon the docketing of notice by the Applicant to resume AFC proceedings.

The Applicant also requests that any Committee order suspending the proceeding confirm that the Applicant may continue to file the informational items identified in the itemized list submitted by CEC Staff.

Dated: February 7, 2025

Respectfully submitted,

By: /s/

Samantha Neumyer

Jeffery D. Harris

Ellison Schneider Harris & Donlan LLP

Attorneys for the Applicant

²⁵ TN#: 261553, p. 5.