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Gavin Newsom, Governor

CALIFORNIA ENERGY COMMISSION

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CEC-70 (Revised 7/2022)



APPLICATION FOR CERTIFICATION FOR THE:

Morton Bay Geothermal Project

APPLICATION FOR CERTIFICATION FOR THE:

Elmore North Geothermal Project

APPLICATION FOR CERTIFICATION FOR THE:

Black Rock Geothermal Project

Docket No. 23-AFC-01

Docket No. 23-AFC-02

Docket No. 23-AFC-03

JOINT ORDER PARTIALLY GRANTING APPLICANTS' MOTION TO SUSPEND AND FURTHER ORDERS

This Joint Order partially granting Applicants' motion to suspend and further orders (Joint Suspension Order) is issued by the Presiding Member¹ for the Committees² appointed by the California Energy Commission (CEC) to conduct proceedings on the applications for certification

- For Morton Bay, Commissioner Noemí Gallardo as Presiding Member and Commissioner Andrew McAllister as Associate Member. (TN 250451.)
- For Elmore North, Commissioner Gallardo as Presiding Member and Commissioner McAllister as Associate Member. (TN 250452.)
- For Black Rock, Commissioner Gallardo as Presiding Member and Chair David Hochschild as Associate Member. (TN 250454.)

¹ Pursuant to Cal. Code Regs., tit. 20, §§ 1203 and 1709.7(c).

² For documents related to these proceedings, see the "Availability of Documents" section, below. On May 31, 2023, the CEC adopted orders appointing the following Committees:

(AFCs) for the Morton Bay Geothermal Project, Elmore North Geothermal Project, and Black Rock Geothermal Project (collectively, Proposed Projects).

BACKGROUND

A. Proposed Projects and Parties

On April 18, 2023, the CEC received the following three AFCs³ seeking to construct and operate geothermal electrical generating and related facilities to use geothermal resources to generate renewable energy, all located southeast of the Salton Sea in unincorporated Imperial County, California near the towns of Niland and Calipatria:

- Morton Bay Geothermal LLC, an indirect, wholly owned subsidiary of BHE Renewables, LLC, filed an AFC to construct and operate the Morton Bay Geothermal Project⁴ (Morton Bay), which would have a maximum continuous electrical output rating of approximately 157 megawatts (MW) gross and an expected net output of approximately 140 MW. Morton Bay would be located on 51 acres of a 160-acre parcel approximately four miles southwest of the town of Niland bounded by McDonald Road to the north, Davis Road to the east, and Schrimpf Road to the south.
- Elmore North Geothermal LLC, an indirect, wholly owned subsidiary of BHE Renewables, LLC, filed an AFC to construct and operate the Elmore North Geothermal Project⁵ (Elmore North), which would have a maximum continuous rating of approximately 157 MW gross and an expected net output of approximately 140 MW. Elmore North would be located on 51 acres of a 140-acre parcel approximately six miles northwest of the town of Calipatria and six miles southwest of the town of Niland bounded by an unnamed dirt road to the north, Cox Road to the west, Garst Road to the east, and West Sinclair Road to the south.
- Black Rock Geothermal LLC, an indirect, wholly owned subsidiary of BHE Renewables, LLC, filed an AFC to construct and operate the Black Rock Geothermal Project⁶ (Black Rock).

³ The information in this section is based on the AFC documents, TN 249723 for Morton Bay, TN 249737 for Elmore North, and TN 249752 for Black Rock.

⁴ The AFC and all filed documents related to the Morton Bay proceeding are available via the "Docket Log (23-AFC-01)" link on the Morton Bay proceeding's web page at https://www.energy.ca.gov/powerplant/steam-turbine/morton-bay-geothermal-project-mbgp. The AFC comprises many separate documents filed in the docket beginning April 18, 2023, e.g., Volume 1 is TN 249723.

⁵ The AFC and all filed documents related to the Elmore North proceeding are available via the "Docket Log (23-AFC-02)" link on the <u>Elmore North proceeding's web page</u> at https://www.energy.ca.gov/powerplant/steam-turbine/elmore-north-geothermal-project-engp. The AFC comprises many separate documents filed in the docket beginning April 18, 2023, e.g., Volume 1 is TN 249737.

⁶ The AFC and all filed documents related to the Black Rock proceeding are available via the "Docket Log (23-AFC-03)" link on the <u>Black Rock proceeding web page</u> at https://www.energy.ca.gov/powerplant/steam-turbine/black-rock-geothermal-project-brgp. The AFC comprises many separate documents filed in the docket beginning April 18, 2023, e.g., Volume 1 is TN 249752.

Black Rock is a proposed geothermal power plant with a maximum continuous electrical output rating of approximately 87 MW gross and an expected net output of approximately 77 MW. Black Rock would be located on a 51-acre portion of a 160-acre parcel approximately eight miles to the southwest of the town of Niland bounded by McKendry Road to the north, Boyle Road to the east, and Severe Road to the west.

The entities submitting each of the individual AFCs are referred to collectively as Applicants (Applicants). The Committees have granted intervenor status to several entities in each of the proceedings including California Unions for Reliable Energy (CURE), United Automobile, Aerospace and Agricultural Implement Workers of America, Region 6 (UAW), Supporters Alliance for Environmental Responsibility (SAFER), and Jobs to Move America (JMA) (collectively, Intervenors). The parties to each of these proceedings include the project Applicant, CEC Staff (Staff), and Intervenors (collectively, Parties).

B. Scheduling and Status

On September 15, 2023, the Presiding Member issued separate scheduling orders for the preevidentiary phase of the AFC proceeding for each of the Proposed Projects.⁸ These scheduling orders were subsequently amended to extend the time for Staff to publish its Preliminary Staff Assessment (PSA) for each Proposed Project.⁹

Staff published its PSAs for Elmore North on June 13, 2024, ¹⁰ for Morton Bay on June 27, 2024, ¹¹ and for Black Rock on July 11, 2024. ¹² The public comment periods for the three PSAs were consolidated and extended until September 4, 2024. ¹³

The Presiding Member issued a Revised Joint Scheduling Order on December 5, 2024.¹⁴ Among other things, the Revised Joint Scheduling Order directed Staff to post Final Staff Assessments (FSAs) for Elmore North on February 5, 2025, for Morton Bay on February 19, 2025, and for Black Rock on March 5, 2025. The Revised Joint Scheduling Order also scheduled all three matters for a

⁷ The various orders granting intervention can be found in the respective dockets at: TN 251919, TN 254840, TN 256297 & TN 260088 for Morton Bay; TN 251917, TN 254841, TN 256298 & TN 260089 for Elmore North; and TN 251916, TN 254842, TN 256299 & TN 260090 for Black Rock.

⁸ The Scheduling Orders can be found in the respective dockets at TN 252284 for Morton Bay, TN 252285 for Elmore North, and TN 252289 for Black Rock.

⁹ TN 255664 (Morton Bay); TN 255667 (Elmore North); TN 255668 (Black Rock).

¹⁰ TN 256843.

¹¹ TN 257470.

¹² TN 157697.

¹³ The Joint Orders Extending and Consolidating Public Comment can be found in the respective dockets at: TN 258079 & TN 258708 for Morton Bay; TN 258080 & TN 258709 for Elmore North; and TN 258081 & TN 258710 for Black Rock.

¹⁴ TN 260569 (Morton Bay), TN 260570 (Elmore North), and TN 260571 (Black Rock).

joint Prehearing Conference on June 9, 2025, and for joint Evidentiary Hearings the week of June 23, 2025.

On January 24, 2025, Staff filed a motion to extend the due dates for posting the Final Staff Assessments (FSAs) to await critical data and information it needed to prepare and update its analysis for each of the Proposed Projects. Some of the outstanding information depends on participation of other agencies, including but not necessarily limited to, the Imperial County Air Pollution Control District, the California Department of Fish and Wildlife (CDFW), United States Fish and Wildlife Service (USFWS), and the Colorado River Basin Regional Water Quality Control Board. On January 31, 2025, Applicants filed responses to Staff's motion that did not object to Staff's request to extend the dates for the FSAs and that acknowledged the requested extension as "effectively indefinite at this time." None of the other Parties objected to Staff's request for an extension.

Thus, on February 5, 2025, the Presiding Member granted Staff's motion and issued a Second Revised Joint Scheduling Order vacating the due dates for Staff to file the FSAs. The order also vacated the evidentiary hearings and included further orders to manage the collection of the outstanding information. In particular, the order directed Staff to provide a list of outstanding information needed to complete the FSAs, from whom the information is expected, and the expected date Staff will receive the information.¹⁷

C. Applicants' Motions for Suspension of the AFC Proceedings for Each of the Proposed Projects

On February 7, 2025, the Applicants filed a motion requesting orders suspending the AFC proceeding in each of the three Proposed Projects (Motions for Suspension). Applicants cite challenges related to procurement and offtake agreements, transmission interconnection studies, and permitting timelines as the primary bases for requesting suspension. The Motions for Suspension request the following orders:

- 1) Suspension of the proceedings.
- 2) Immediate suspension of Staff's activities relating to the Proposed Projects.
- 3) Direction for the Applicants to continue submitting status reports, but quarterly instead of monthly as currently required.
- 4) Direction for Staff to provide itemized lists of any outstanding information needed to complete the FSAs.

¹⁵ TN 261286 (Morton Bay), TN 261288 (Elmore North), and TN 261302 (Black Rock).

¹⁶ TN 261501 (Morton Bay), TN 261502 (Elmore North), and TN 261503 (Black Rock).

¹⁷ TN 261553 (Morton Bay), TN 261552 (Elmore North), and TN 261551 (Black Rock).

¹⁸ TN 261639 (Morton Bay), TN 261640 (Elmore North), and TN 261641 (Black Rock).

5) Resumption of the proceedings when the Applicants file notice that they are ready to resume.

Responses to the Applicant's Motions for Suspension were filed by CURE, ¹⁹ UAW, ²⁰ and Staff, ²¹ none objecting to a suspension of the proceedings. Neither SAFER nor JMA filed responses to the motions. All responses support the concept of Staff submitting a list of outstanding information Staff needs to finish preparing the FSAs. However, each response expresses concern that allowing Applicant to submit information on a rolling basis would require the Parties to needlessly monitor the docket and review any information filed therein. Therefore, they support an order requiring the Applicants to submit all outstanding information as a single comprehensive filing. Additionally, UAW asks for a deadline to be set for when the outstanding information is due. CURE and UAW seek monthly status reports from the Applicants, and Staff recommends Applicant file status reports every other month.

The Presiding Member addresses each of these requests and responses collectively in this Joint Suspension Order.

DISCUSSION AND ORDERS ON APPLICANTS' MOTIONS

After consideration of Applicant's Motions for Suspension and the responses of Staff, CURE, and UAW, the Presiding Member of the Committees partially grants the motions in this Joint Suspension Order. Specifically, this order suspends each AFC proceeding including all due dates and deadlines applicable to each previously established pursuant to Public Resources Code, sections 25519 et seq., California Code of Regulations, title 20, sections 1200 et seq. and 1701 et seq., and as further set in previous scheduling orders.

Because the Applicants' motions seek a suspension rather than a termination or dismissal of each AFC proceeding, the proceedings remain "pending proceedings" within the meaning of Government Code, section 11430.10 of the Administrative Procedure Act. The ex parte rules for communication remain in effect. The dockets will remain open.

The Presiding Member appreciates the Applicants' need for a temporary pause to evaluate the challenges facing these Proposed Projects. At the same time, until the Applicants seek to terminate or dismiss these proceedings, it is presumed that the current intentions are to resume these proceedings in the foreseeable future. As previously ordered, Staff submitted the lists of outstanding information for each respective project in its status reports filed on March 5, 2025, ²² for the benefit of the Applicants and Parties, and for reference by any third parties who may be responsible to provide outstanding information, so no further order is required on this request.

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¹⁹ CURE's responses are at: TN 261715 (Morton Bay), TN 261714 (Elmore North), and TN 261713 (Black Rock).

²⁰ UAW's responses are at: TN 261753 (Morton Bay), TN 261754 (Elmore North), and TN 261755 (Black Rock).

²¹ Staff's responses are at: TN 261785 (Morton Bay), TN 261786 (Elmore North), and TN 261784 (Black Rock).

²² TN 262105 (Morton Bay), TN 262104 (Elmore North), and TN 262103 (Black Rock).

Further, it is the Presiding Member's presumption that the Parties – particularly the Applicant and Staff – will remain reasonably available to consult with the third parties identified on the list of outstanding information and with tribal representatives, as necessary, to compile the outstanding information.

However, the Presiding Member concurs that all outstanding data requests of the Applicants should be paused during the suspension. Except as otherwise provided in this order, Staff's activities related to the preparation of the Staff assessments may be halted, subject to Staff's discretion. To further ease the burden of filing and document review, the Presiding Member finds quarterly status reports from the Applicants sufficient to apprise interested persons about the progress being made to resume the proceedings. Additionally, it is reasonable to order that the Applicants refrain from submitting any outstanding information into the docket until they file a formal request in each proceeding for the Presiding Member to lift the Joint Suspension Order and resume the applications for certification. Except for the activities described in this order or further orders of the Presiding Member or Committees, the Parties will be relieved from responding to any docket submittals during the period of suspension.

Therefore, pursuant to California Code of Regulations, title 20, sections 1203 and 1709.7(c), the Presiding Member of the Committees hereby orders:

- 1. The Applicants' Motions to Suspend are **PARTIALLY GRANTED** as described herein.
- 2. All due dates and deadlines set in the February 5, 2025, Second Revised Joint Scheduling Order are VACATED. Except as provided in this Joint Suspension Order, all due dates and deadlines applicable to these AFC proceedings pursuant to Public Resources Code, sections 25519 et seq., California Code of Regulations, title 20, sections 1200 et seq. and 1701 et seq., are SUSPENDED.
- 3. The Applicants shall file quarterly status reports no later than the last business day of the months of March, June, September, and December, beginning in June 2025. The Applicants' status reports shall describe any new project-related developments.
- 4. When Applicants are prepared to resume any or all of these proceedings, they shall file a request for the Presiding Member to lift the suspension. The request shall be accompanied by a single comprehensive package of all outstanding information under the Applicants' control and any other information that needs updating due to the passage of time or changes in the Proposed Project(s). The request shall also describe the status of any of the outstanding information due from third parties, if known. The other Parties may respond to the request within 14 days. The Presiding Member will respond to the request within thirty (30) days of the request with appropriate scheduling orders to resume the proceedings.
- 5. Except for the Applicants' quarterly status reports and the Applicants' request to resume the AFC proceedings, the Parties shall refrain from filing anything further to the dockets for these proceedings, including but not limited to data requests. Staff may suspend all other

activities related to the preparation of the Staff assessments at its discretion, except as otherwise provided in this order. The Parties are relieved of responding to any docket submittals until further order of the Presiding Member or the Committees.

PUBLIC ADVISOR AND OTHER CEC CONTACTS

The CEC's Office of the Public Advisor, Energy Equity and Tribal Affairs (Public Advisor) assists members of the public with participating in CEC proceedings. For information on how to participate in this proceeding, please contact the Public Advisor at publicadvisor@energy.ca.gov, or (916) 957-7910.

Parties and members of the public may contact the assigned Hearing Officers for each AFC for clarifications about this order or general procedural questions:

Morton Bay: Ralph Lee, (916) 776-3408, ralph.lee@energy.ca.gov

Chad Oliver, (916) 891-8569, chad.oliver@energy.ca.gov

Elmore North: Reneé Webster-Hawkins, (916) 237-2507, renee.webster-hawkins@energy.ca.gov

Deborah Dyer, (916) 931-5041, deborah.dyer@energy.ca.gov

Black Rock: Chad Oliver, (916) 891-8569, chad.oliver@energy.ca.gov

Deborah Dyer, (916) 931-5041, deborah.dyer@energy.ca.gov

Direct media inquiries to mediaoffice@energy.ca.gov or (916) 654-4989.

AVAILABILITY OF DOCUMENTS

The AFC for each Proposed Project contains the engineering and environmental details of the Proposed Project. To electronically access information about the AFCs and all related documents submitted to the CEC Docket Unit for each AFC visit:

 The "Docket Log (23-AFC-01)" link on the <u>Morton Bay proceeding's web page</u> at https://www.energy.ca.gov/powerplant/steam-turbine/morton-bay-geothermal-project-mbgp, or scan (use the camera on your mobile device and hold it over the QR code) the following QR code:



• The "Docket Log (23-AFC-02)" link on the <u>Elmore North proceeding's web page</u> at https://www.energy.ca.gov/powerplant/steam-turbine/elmore-north-geothermal-project-engp, or scan the following QR code:



• The "Docket Log (23-AFC-03)" link on the <u>Black Rock proceeding web page</u> at https://www.energy.ca.gov/powerplant/steam-turbine/black-rock-geothermal-project-brgp, or scan the following QR code:



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If you need assistance in accessing an application or any other project document, please contact the Public Advisor at public.advisor@energy.ca.gov or (916) 957-7910.

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IT IS SO ORDERED.

Dated: March 20, 2025

Approved

Noemí Otilia Osuna Gallardo

Commissioner and Presiding Member Morton Bay Geothermal Project Elmore North Geothermal Project Black Rock Geothermal Project AFC Committees

Mailed to: List Number 7550