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## STAFF'S COMMENTS REGARDING A POSSIBLE ENERGY COMMISSION FINDING OF OVERRIDING CONSIDERATIONS

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Staff's Final Staff Assessment (FSA) of Palen Solar Electric Generating System (PSEGS), the proposed amended project, states that PSEGS will result in significant environmental impacts that cannot be mitigated for Visual Resources and Cultural Resources and that the proposed project would very likely result in significant and unmitigable impacts to Biological Resources, mainly due to the solar power tower technology's introduction of solar flux danger to avian species. After evidentiary hearings held in October 2013, Staff stated that it did not recommend that the Commission adopt a statement of overriding considerations regarding these significant and unmitigable impacts. (TN 201338)

On July 18, 2014, the Petitioner filed a revised phasing plan. Palen Solar Holdings proposes that instead of constructing Units I and II simultaneously, construction of Unit 1 (the westernmost unit) would occur first, and the construction of Unit 2 (the easternmost unit) be conditioned upon the filing and Commission approval of a future amendment that would modify the currently designed Phase II to incorporate Thermal Energy Storage (TES). (Exhibit 1166 – Project Description Supplemental Rebuttal Testimony). Construction of only Unit 1 at this time would reduce the impacts to Biological Resources by roughly one-half; impacts to Visual Resources would be only somewhat diminished – depending on viewer location; and other than construction-related impacts, the significant impacts to Cultural Resources would not change.

The construction of Unit 2 would only occur if a storage component – which Staff agrees would be a significant project benefit – were added, and would only occur after approval of a Petition to Amend which would require a thorough review and analysis by Staff and interested parties. The necessary events required to bring such a Petition to Amend will be time consuming, allowing for more information to be gathered from Ivanpah Solar Electric Generating System and possibly Unit 1 of PSEGS: there will be more survey data, mitigation measures will be implemented, and deterrent strategies will be tested. All of this information will be available to analyze any future Petition to Amend.

With the Petitioner's revised phasing approach, and with the adoption of Staff's recommended conditions of certification for biological and cultural resources, Staff no longer has a recommendation on whether the Commission should adopt a statement of overriding considerations.