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BEFORE THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT COMMISSION OF THE STATE OF CALIFORNIA 1516 NINTH STREET, SACRAMENTO, CA 95814 1-800-822-6228 – WWW.ENERGY.CA.GOV

PETITION TO AMEND THE SONORAN ENERGY PROJECT (FORMERLY BLYTHE ENERGY PROJECT PHASE II)

Docket No. 02-AFC-01C

COMMITTEE SCHEDULING ORDER

Background

On December 14, 2005, the California Energy Commission (Commission) issued its Final Decision granting a certificate to Caithness Blythe II, LLC (Caithness), to construct and operate the Blythe Energy Project Phase II (BEP II), Docket Number 02-AFC-01. The approved BEP II has not been built. Caithness received extensions of the deadline to commence construction from the Commission in 2010 and 2012. In addition, in 2012 the Commission approved an amendment increasing project output from 520 megawatts (MW) to 569 MW. The project site is located in eastern Riverside County, approximately five miles west of Blythe, California.

On April 29, 2014, AltaGas Power Holdings (U.S.), Inc. (APHUS), acquired Caithness. APHUS then changed Caithness's name to AltaGas Sonoran Energy, Inc. (AltaGas). These transactions were approved by the Commission on June 18, 2014.

Upon acquisition, AltaGas evaluated the approved project and determined that in light of current turbine technology, changes to the design were needed to better support integration of renewables to the electricity grid. The proposed changes would provide faster starting and ramping (i.e., gradual change in level of power), a lower minimum load, and more efficient combined-cycle generation.

On August 7, 2015, AltaGas submitted a Petition to Amend to the Commission seeking permission to make changes to the amended Final Decision for BEP II, and to rename the project Sonoran Energy Project (SEP). For purposes of this proceeding, the new name will be used to distinguish this project from BEP II and other projects using the name Blythe.

Proposed Project Changes

The proposed amendment changes include a new point of electrical interconnection, and changes to the approved, but not built, turbines, steam turbine generator, and cooling tower. The details of the proposed amended project are contained in the Petition, which can be viewed at <u>www.energy.ca.gov/sitingcases/sonoran.</u>

Construction of the proposed SEP is scheduled to begin in the 2nd quarter of 2016 and continue through the 2nd quarter of 2018. Construction will last approximately 26 months, including 4 months of commissioning.

Schedule and Issues Identification

The Energy Commission designated a Committee¹ of two commissioners to conduct proceedings on the Petition to Amend. The Committee held a Public Site Visit, Environmental Scoping Meeting, and Informational Hearing in Blythe on September 28, 2015. Pursuant to California Code of Regulations, title 20, section 1709.7(c), the attached Committee Schedule (schedule) is based on the Energy Commission Staff's (Staff) proposal and related discussions at the Informational Hearing.

The schedule contains a list of events that must occur in order to complete the amendment review process. This initial schedule covers the period up to Staff's publication of the Final Staff Assessment with the balance of the schedule to be determined thereafter by the Committee. The Committee encourages the parties to consider this schedule an outer boundary and make their best effort to complete the milestones ahead of these dates. Some deadlines may be contingent upon reviews to be conducted by federal, state, and local agencies. AltaGas must provide sufficient review time for the responsible agencies to meet the deadlines specified in the schedule.

Staff identified major issues in the technical areas of soil and water resources, traffic and transportation, and transmission system engineering. These issues were discussed at the Environmental Scoping Meeting and Informational Hearing. Resolution of these issues, and others that may arise during the review process, shall be addressed during the data exchange process and in public meetings with the parties and interested governmental agencies. Given the complexities involved in resolving these issues, the parties are on notice that the Committee may modify the schedule at any time upon either its own motion or that of a party. (Cal. Code Regs., tit. 20, § 1709.7(c).)

Use of Previous Commission Decision in Staff's Analysis of the Amendment

Under California Environmental Quality Act (CEQA) Guidelines section 15162, a supplement to a previous Commission Decision, which is equivalent to an environmental impact report (EIR), is required only where:

1. Substantial changes are proposed in the project which will require major revisions of the previous EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or

¹ The Committee consists of Commissioners Janea Scott, Presiding Member, and Karen Douglas, Associate Member. The full Commission made this Committee assignment at an Energy Commission Business Meeting on August 12, 2015.

- 2. Substantial changes have occurred with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or
- 3. New information of substantial importance which was not known, and could not have been known at the time of preparation of the previous EIR, shows:
 - a. The project will have one or more significant effects not discussed in the previous EIR;
 - b. Significant effects previously examined will be substantially more severe than shown in the previous EIR;
 - c. Mitigation measures or alternatives previously found to be not feasible would now be feasible and would substantially reduce one or more significant effects of the project, but the project proponent declines to adopt the mitigation measure of alternative; or
 - d. Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponent declines to adopt the mitigation measure or alternative.

With respect to each topic area for the proposed Amendment to the SEP, the Committee directs Staff to include in the Preliminary Staff Assessment (PSA) an analysis of whether supplementation of the Commission's amended BEP II Final Decision (the EIR-functionally-equivalent document) is necessary under the Guidelines set forth above. Where Staff concludes that supplementation is necessary, it should include a summary of the substantial changes or new information, the resulting new or increased significant effects, and new or newly-feasible mitigation measures or alternatives. Where Staff concludes that no supplementation is necessary, the environmental analysis from the Commission's amended BEP II Decision should be included in the PSA as it will assist the reader in understanding the project as a whole.

If the Committee concludes that no supplementation is necessary, the Committee will rely upon the environmental analysis and conclusions of the Commission's amended BEP II Final Decision and will not re-litigate them. Should the revised project result in significant impacts that cannot be avoided or mitigated, the Committee will make a recommendation about overriding those impacts. Although the Committee may not need to supplement the environmental analysis for some topics, the Laws, Ordinances, Regulations and Standards (LORS) analysis is not subject to section 15162 and must be updated to the extent necessary to analyze the compliance of the amended project with LORS.

Status Reports

The attached schedule requires periodic status reports to be submitted by all parties to determine whether case development is progressing satisfactorily and to bring potential schedule delays or other relevant matters to the Committee's attention. The burden is on AltaGas to produce the necessary data according to the schedule. If there are delays, the Committee may adopt a performance approach resulting in a commensurate lengthening of the schedule.

Parties must file (docket) and serve status reports and other documents using the efiling system on the California Energy Commission's website. Click on the "Submit e-Filing" link in the "Compliance Proceeding" box at:

www.energy.ca.gov/sitingcases/sonoran

If, for any reason, the PSA is delayed beyond 30 days after issuance of the Preliminary Determination of Compliance by the Mojave Air Pollution Control District, the parties are **ORDERED** to provide status reports on the 15th day of every month thereafter until directed otherwise by the Committee.

Public Adviser and Public Participation

The Energy Commission invites members of the public and other interested parties to participate either on an informal basis or by intervening in the proceeding. Both types of participation allow written and oral comments. At the informal participation level, written and oral comments are considered by the Commissioners and are part of the public record, but are not included in the formal evidentiary record. Intervenors have the right to introduce evidence into the evidentiary record and cross-examine the other parties' witnesses.

The Energy Commission Public Adviser's Office is available to assist the public in participating in the amendment review process. For information on how to participate, contact Alana Mathews, Public Adviser, at (916) 654-4489 or 1-800-822-6228, or by e-mail at <u>publicadviser@energy.ca.gov</u>.

If you have a disability and need assistance to participate in the amendment review process, contact Lourdes Quiroz at (916) 654-5146 or by e-mail at lou.quiroz@energy.ca.gov.

Information

Questions of a legal or procedural nature should be directed to Raoul Renaud, Hearing Adviser, at (916) 651-2020, or by e-mail at <u>raoul.renaud@energy.ca.gov</u>.

Technical questions concerning the project should be addressed to Mary Dyas, Compliance Project Manager, at (916) 651-8891, or by e-mail at <u>mary.dyas@energy.ca.gov</u>.

Media inquiries should be directed to the Office of Media and Public Communications at (916) 654-4989, or by e-mail at <u>mediaoffice@energy.ca.gov</u>.

Information concerning the status of the project, as well as notices and other relevant documents, may be viewed on the Energy Commission's Internet web page at <u>www.energy.ca.gov/sitingcases/sonoran</u>.

Dated: October 27, 2015, at Sacramento, California

ORIGINAL SIGNED BY:

JANEA A. SCOTT Commissioner and Presiding Member Sonoran Energy Project Amendment Committee

ORIGINAL SIGNED BY:

KAREN DOUGLAS Commissioner and Associate Member Sonoran Energy Project Amendment Committee

COMMITTEE SCHEDULE Sonoran Energy Project (02-AFC-01C)

ACTIVITY	DATE
Project Owner files SEP Petition to Amend	08/07/2015
Committee assigned	08/12/2015
Staff files Notice of Receipt	08/24/2015
Staff files Issues Identification Report	09/21/2015
Site Visit/Environmental Scoping/Informational Hearing	09/28/2015
Staff files Data Requests Set #1	10/12/2015
Parties file Status Report #1	11/02/2015
Project Owner provides data responses	11/06/2015
Parties file Status Report #2	12/02/2015
Mojave Desert Air Quality Management District (MDAQMD) Issues Preliminary Determination of Compliance (PDOC)	12/18/15
Preliminary Staff Assessment (PSA) filed	PDOC +30 days
PSA Workshop	PSA + 15 days
MDAQMD Issues Final Determination of Compliance (FDOC)	To be determined by MDAQMD
Final Staff Assessment filed	PSA + 60
Prehearing Conference	TBD*
Evidentiary hearings	TBD*
Presiding Member's Proposed Decision (PMPD)	TBD*
Committee Hearing on PMPD	TBD*
Addendum/Revised PMPD (if necessary)	TBD*
Energy Commission Final Decision	TBD*

*TBD= To be determined. The Committee will determine this part of the schedule.