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|------------------------|---|
| Docket Number: | 02-AFC-01C |
| Project Title: | Sonoran Energy Project (formerly Blythe Energy Project Phase II) - Compliance |
| TN #: | 211376 |
| Document Title: | Sonoran Energy Project - Status Report No. 7 20160505 |
| Description: | N/A |
| Filer: | Mary Dyas |
| Organization: | California Energy Commission |
| Submitter Role: | Commission Staff |
| Submission Date: | 5/5/2016 3:10:00 PM |
| Docketed Date: | 5/5/2016 |

Memorandum

To: Commissioner Janea A. Scott – Presiding Member Commissioner Karen Douglas – Associate Member

Raoul Renaud - Hearing Officer

Date: May 5, 2016 Telephone: 916-651-8891

File: 02-AFC-1C

From: California Energy Commission- Mary Dyas

1516 Ninth Street Compliance Project Manager

Sacramento, CA 95814-5512

Subject: STATUS REPORT #7 - SONORAN ENERGY PROJECT (02-AFC-1C) AMENDMENT TO CHANGE THE PROJECT DESIGN

Staff has prepared this Status Report No. 7 prior to the date ordered by the Committee in order to provide updates on the Sonoran Energy Project (SEP) Amendment proceeding since Status Report No. 6 was filed on April 15, 2016.

On March 30, 2016, the Committee held a Status Conference to get updates from both staff and project owner on progress in the SEP proceeding. At the Status Conference, staff informed the Committee that the publish date for the Final Staff Assessment (FSA) could be as soon as May 27, 2016. However, since Southern California Edison's Affected Systems Study will not be available until sometime in July 2016, the Transmission System Engineering section of the FSA would need to be bifurcated and published at a later date. In Staff's Status Report No. 6, staff noted that additional time will be necessary to conduct modeling of dry cooling, and staff recommended publishing a single document sometime near the end of July 2016 after the Affected Systems Study is received. The Petitioner's Status Report No. 6 opposed staff's recommendation to file one document in July.

On April 21, 2016 in Palm Desert, staff held a Soil and Water Resources Issues Resolution workshop to discuss water resource issues related to the SEP. Issues that were discussed included: (1) water offset proposals, (2) the use of Blythe Energy Project evaporation ponds and SEP evaporation ponds, and (3) zero liquid discharge (ZLD). In an amendment to the petition, the petitioner proposed a canal-lining program to offset water use. However, at the Soil and Water Workshop the canal-lining proposal was de-emphasized; the petitioner suggested that it would no longer be pursued, and alternative water offsets were discussed with staff for the first time. The new water offsets discussed at the workshop have not been submitted with supporting data for staff to analyze. At the conclusion of the workshop, the petitioner agreed to provide staff with additional water offset information pertaining to fallowing and other ideas; more information about evaporation pond sizing and use; and the information they have gathered about why ZLD is believed to no longer be feasible. Staff is currently awaiting this information from the petitioner as it relates to multiple sections of the Final Staff Assessment, including but not limited to: Soil and Water, Waste Management, Biological Resources, Land Use, and Traffic and Transportation (aviation safety).

Sonoran Energy Project Status Report No. 7 May 6, 2016

The Colorado River Indian Tribes (CRIT) representatives attended the April 21, 2016 Soil and Water workshop and provided public comment in regard to CRIT's water rights to Colorado River water and water use by SEP. Cultural Resources staff have consulted with CRIT and recommended CRIT submit written comments in May so that they can be incorporated into the FSA.

At the conclusion of the April 21 Soil and Water workshop, the petitioner agreed to three action items: (1) to file information about the new water offset proposals; (2) provide more information about evaporation pond sizing and use; and share with staff the information SEP gathered that addresses ZLD feasibility. Once this information is received, staff will need to analyze it to complete their sections. Staff is concerned that publishing the FSA in May will mean a bifurcated FSA with incomplete analysis in multiple sections, not just Transmission System Engineering as earlier thought. For these reasons, staff respectfully requests a Committee Status Conference to discuss the pending information submittals and the publication date of the Final Staff Assessment.