

DOCKETED

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Project Title:	Palmdale Energy Project (Formerly Palmdale Hybrid Power Plant) - Compliance
TN #:	220544
Document Title:	Errata to the Presiding Member's Proposed Decision
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Before the Energy Resources Conservation and Development
Commission of the State of California
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PETITION TO AMEND THE:

PALMDALE ENERGY PROJECT

Docket No. 08-AFC-09C

ERRATA TO THE PRESIDING MEMBER'S PROPOSED DECISION

After reviewing the comments submitted by the parties and members of the public, we incorporate the following changes¹ into the July 3, 2017 Presiding Member's Proposed Decision (PMPD) for the Palmdale Energy Project:

TABLE OF CONTENTS

Page iii, last entry:

APPENDIX E: Paving Emissions Reduction Credits Protocol

INTRODUCTION

Page 1-3, last paragraph, add the following footnote at the end of the third sentence:

¹¹With the CTGs at full load and the duct burners in-service, the HRSGs produce sufficient steam for operation of the STG at its peaking output of 276.2 MW (gross) at average ambient conditions, which results in an overall plant gross output of approximately 716.9 MW or plant net output of 699.4 MW. (Ex. 2, p. 2-7, Figure 2-6c.)

Page 1-14, first paragraph:

The Committee noticed and conducted a Prehearing Conference on March 10, 2017, at the Energy Commission in Sacramento, California, and an Evidentiary Hearing on March 22, 2017, at the Palmdale City Hall in Palmdale, California.² The Committee filed its PMPD on ~~{Date}~~ **July 3, 2017** subject to a 30-day comment period. The Committee conducted a Committee Conference on the

¹ Where text is revised, additions are shown in **bold underline** and deletions are shown in ~~strikeout~~.

² TN 216085.

PMPD on [Date] **July 24, 2017**. The comment period closed on [Date] **August 2, 2017**.

PROJECT DESCRIPTION

Page 2-1 third paragraph: add the following sentence at the end of the paragraph:

The Project Description Figure 4 provides a general arrangement drawing of the PEP.

Page 2-3: replace **Figure 2** with Figure 2-1 from Exhibit 3.

Page 2-4: replace **Figure 3** with the General Arrangement Site Plan diagram from page 8 of Exhibit 56.

Between pages 2-4 and 2-5: insert, as **Figure 4**, the General Arrangement Facility Plot Plan diagram from page 9 of Exhibit 56.

Page 2-7, third paragraph, second sentence:

The PEP consists of a 654 **645** MW (nominal capacity) two-on-one, natural-gas-fired, combined-cycle generating station...

GREENHOUSE GAS EMISSIONS

Page 4.1-7, first sentence of first paragraph after **Table 3** add:

The PEP would emit approximately 1,925,347 metric tonnes of CO₂-**equivalent** per year...

Page 4.1-13: align the paragraph indentation for Finding of Fact #18.

AIR QUALITY

Page 4.2-10, first sentence, second paragraph (and throughout the PMPD as needed): use subscript when referring to CO₂, SO₂ and NO₂ as follows:

The Petitioner's construction modeling analysis indicates that the maximum NO₂, PM_{2.5}, CO, and SO₂ impacts would remain below the CAAQS and NAAQS.

Page 4.2-10: insert the following new paragraph between the second paragraph and the heading **Construction Impacts and Mitigation**:

The background levels of PM₁₀ alone are greater than the CAAQS for both the 24 hour and annual standards. The construction impacts have the potential to worsen the existing violations of the annual PM₁₀ ambient air quality standard and are, therefore, potentially significant requiring mitigation. (Ex.500. p. 4.1-31.)

Page 4.2-22, second paragraph:

The Petitioner originally proposed several mitigation strategies including...

Page 4.2-23, citations under the **Air Quality Table 11**:

^aThis value reflects a reasonably available control technology (RACT) adjustment (~~see discussion below~~).

Page 4.2-23, first paragraph:

The Petitioner is proposing to pave roads in the vicinity of the PEP site to generate PM10 ERCs to mitigate project PM10 and SOx emissions. MDAQMD Rule 1406 (Generation of Emission Reduction Credits for Paving Unpaved Public Roads) establishes procedures for Voluntary paving of roads to obtain PM10 ERCs. The rule intends for the PM10 credits to be enforceable, permanent, quantifiable, real and surplus. **The Petitioner provided a Paving Emissions Reduction Credits Protocol (Exhibit 36) which is included as Appendix E.** The protocol outlines the methods for data collection and analysis needed to perform the calculations.

Page 4.2-24, second paragraph:

A final application package would need to be submitted to the AVAQMD to bank the emission reductions so they could be used as offsets. The Petitioner is proposing to submit an application package including all required information in the MDAQMD Rule 1406(B)(1)(b). Construction may not begin until the CPM has approved all ERCs in consultation with the District. **The road paving must be completed according to the revised Paving Emissions Reduction Credits Data Collection Protocol included as an Appendix E** (see Condition of Certification **AQ-SC9**).

SOIL AND WATER RESOURCES

Page 5.2-5, first full paragraph:

Similar to the PHPP, the project owner proposes to use 3.6 AFY of potable water provided by District 40 for drinking and sanitation uses. The AVGB, in which the PEP is located, became adjudicated December 15, 2015. **Staff asserts that** ~~the PEP was not part of the adjudication and has no water rights in the AVGB~~ **and that** District 40 currently does not have sufficient potable water to supply the PEP, other than on a temporary basis. **According to Staff**, Therefore, District 40 has to acquire and import additional water supplies and rely on banked groundwater during dry years to meet demands associated with the level of growth projected for the District 40 service area.

Page 5.2-5, last full paragraph:

After receipt of the deposit, District 40 transfers it to AVEK to acquire the new water supply, which would be allocated to District 40. The MOU also includes a provision requiring completion of CEQA analysis for transfer of any new water supply for District 40. **According to Staff, t**~~The PEP would be required to pay \$36,000 for the proposed 3.6 AFY of potable water~~ **in the event that District 40 does not recognize Palmdale Energy, LLC's previous payment for potable water as a binding right to potable water.**

Page 5.2-5, footnote 20:

~~Exs. 56, pp. 37 – 39;~~ 500, p. 4.9-10.

Page 5.2-7, second paragraph:

To ensure that a reliable potable water supply for drinking and sanitation purposes is in place prior to construction, we are modifying Condition of Certification **SOIL&WATER-4**. This condition of certification requires the project owner to submit to the Energy Commission's Compliance Project Manager **a valid water supply agreement** ~~n executed developer water supply acquisition agreement between the PEP and District 40 and a willserve letter issued by District 40 for potable water supply~~ prior to construction. This condition also ensures that the potable water supply complies with local requirements and does not impact other uses.

Page 5.2-16, fourth paragraph:

To ensure that PEP will obtain a potable water supply in accordance with the local requirements and not impact other users, we modify Condition of Certification **SOIL&WATER-4** to require **a valid water supply agreement** ~~an executed Developer Water Supply Acquisition Agreement between the PEP and District 40, and a valid Water Supply Agreement for the PEP's potable water needs~~ **demonstrating that the necessary fees are paid and District 40 is committed to delivery of potable water by the start of project construction date.** ~~These will be provided prior to approval to construct the project to ensure the parties are committed to obtaining a supply for project operation.~~⁴⁷ We find that the amount of the potable water needed for the PEP will not cause a significant adverse environmental impact or adversely affect current or future users of potable water.

LAND USE

Page 6.1-4, third paragraph, third sentence:

The evidence indicates the Petitioner...

Page 6.1-7, Findings of Fact #6:

County of Los Angeles's land use plans...

Page 6.1-8: align the paragraph indentation for Findings of Fact #10 and #11.

TRAFFIC AND TRANSPORTATION

Page 6.2-4: delete the last paragraph including the continuation of the paragraph on page 6.2-5 and insert the following three paragraphs in its place:

Staff has historically used an average thermal plume vertical velocity of 4.3 meters per second (m/s) as the threshold for potential impacts to aviation. Staff has concluded that based on recent publications, an average vertical velocity of 4.3 m/s is no longer an appropriate threshold.¹⁷ (Footnote 17: Exhibit 501, Appendix TT-2, page 1.)

Based on review of the recent publications discussed above described in Exhibit 501, Appendix TT-2, staff will use 10.6 m/s peak vertical plume velocity as the new threshold. The altitude at which a plume would have a peak vertical velocity of 10.6 m/s would be the same altitude at which a plume would have an average vertical velocity of half that, 5.3 m/s.¹⁸ (Footnote 18: Exhibit 501, Appendix TT-2, page 3.)

While the results of the project owner's analysis and staff's analysis of the PEP show an increase in the ACC thermal plume height compared to the original project, the average vertical velocities of PEP's plumes would still be below the

significance level of 5.3 m/s at all heights above 1,500 feet AGL, at average vertical velocities of less than 5.3 m/s, and PEP's plumes would not affect the airspace in the traffic pattern for RY 7/25 or RY 4/22. Based on current information, the conclusion in the Decision and staff's conclusion in the FSA for the PEP of no significant impact on U.S. Air Force Plant 42 operations from thermal plumes would be unchanged.¹⁹ (Footnote 18: Exhibit 501, pp. 1 – 2.)

ALTERNATIVES

Page 8-3, first numbered paragraph:

1. No alternatives previously found to be infeasible are now infeasible, nor would these infeasible alternatives substantially reduce the significant effect of the PEP; and...."

CONDITIONS OF CERTIFICATION – APPENDIX A

Page A-9, Condition of Certification **COM-13**, items 4 through 15 are in support of Item No. 3, so the numbering should be changed to lower case letters "a" through "o."

Pages A-20 and A-21 remove bold and underline formatting and add the following to the table in **GEN-2**:

Equipment/System	Quantity (Plant)
Fuel Gas Compressor Foundations and Connections	1
Fuel Gas Compressor Building Foundations	1

Page A-57, Condition of Certification **AQ-SC9**:

AQ-SC9 The project owner shall provide 92.4 tons per year of PM10 ERCs (81.0 tons per year for PM10 emissions and 11.39 tons per year for PM10-precursor SOx emissions) that are banked consistent with the Rules and Regulations of the District. The project owner shall pave unpaved local roads to provide emission reductions of 137 tons per year of PM10 prior to the start of construction of the project. The project owner shall complete the road paving according to the revised ~~Paved ERC~~ **Paving Emissions Reduction Credits** Data Collection Protocol (**Appendix E**) ~~included as Air Quality Appendix Air-2 to the Final Staff Assessment~~. Calculations of PM10 emission reduction credits shall be performed in accordance with the ERC Data Collection Protocol.

Pages A-178 through A-180, notes to **Biological Resources Tables 4 and 5**: "**CDFW**" is shown in bold/underlined text. Change to normal text throughout.

Page A-224, Condition of Certification **CUL-6**, Verification 3:

3. Immediately upon a CRM recognizing that project construction will impact the Palmdale Ditch or any associated features **or the Aqueduct or any of its ancillary facilities** in an unanticipated and adverse manner, the project owner shall submit to the CPM for review and approval a plan for the recordation of the impacted parts of the ditch or features, **or the Aqueduct facilities or character-defining features**. The plan shall be prepared by an architectural historian who meets the U.S. Secretary of the Interior's Professional Qualifications Standards, as published in Code of Federal Regulations, title 36, part 61. The recordation shall be conducted by such a qualified architectural historian and shall meet the standards of the Historic American Engineering Record **as defined in CUL-6 above**.

Page A-249, Condition of Certification **NOISE-4**, first paragraph:

The project design and implementation shall include appropriate noise mitigation measures adequate to ensure that operation of the project will not cause noise levels due solely to plant operation to exceed an average of 42 dBA L_{eq} measured at Measurement Location ML 1 near the residence identified as R2 in **Noise and Vibration Figure 2 at page 4.6-6 of Exhibit 500, TN 213623 located at <https://efiling.energy.ca.gov/getdocument.aspx?tn=213623>**. No new puretone components may be caused by the project. No single piece of equipment shall be allowed to stand out as a source of noise that draws legitimate complaints.

After the last page: insert as **Appendix E**, Exhibit 36, **Paving Emissions Reduction Credits Protocol** (12 pages).

Dated: August 3, 2017, at Sacramento, California

ORIGINAL SIGNED BY:

KAREN DOUGLAS
Commissioner and Presiding Member
Palmdale Energy Project Amendment
Committee

ORIGINAL SIGNED BY:

JANEA A. SCOTT
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Palmdale Energy Project Amendment
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