

Memorandum

Date : April 22, 2002

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To : Robert A. Laurie, Commissioner and Committee Presiding Member
William J. Keese, Chairman and Committee Associate Member

From : California Energy Commission - Bob Eller
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Subject : PALOMAR ENERGY PROJECT (01-AFC-24) STATUS REPORT NO. 1

Pursuant to the Committee's Scheduling Order of March 29, 2002, the following is staff's status report on the proposed Palomar Energy Project. As requested by the Committee in its Order, staff's first report focuses on issues related to the schedule for adoption of the Escondido Research and Technology Center (ERTC) Specific Plan by the City of Escondido, as well as potential delays to the Committee's adopted schedule for the project.

Since the Committee's Informational Hearing and Site Visit on March 21, 2002, staff has continued to work closely with the City of Escondido on a Memorandum of Understanding (MOU) which coordinates the City's work on the ERTC and our work on the proposed Palomar Energy Project. The City Council will consider the proposed MOU on May 1. Should the City adopt the proposed MOU, staff will bring this document to the Committee for review and possible consideration by the full Commission.

CURRENT DATA REQUEST/DATA RESPONSES

STAFF

Staff submitted 117 data requests on March 8, 2002, requesting additional information in the areas of air quality, biology, cultural resources, hazardous materials management, noise, reliability, soil and water resources, traffic and transportation, transmission system engineering, visual impacts, waste management, and worker safety. The applicant filed objections to a number of staff's requests, and requested additional time to prepare responses on March 18.

On April 8 the applicant responded to most of our requests and notified us that most responses should be complete on or before May 8. In order to move forward as expeditiously as possible, staff will submit it's second round data requests in late April while reserving the right to ask for additional information in May, following the receipt of the remainder of the applicant's responses to our initial data requests.

Staff will assess the continuing need for information the applicant has objected to providing following the submission of the remaining data responses. Should additional

data be required, staff will assess the best method for obtaining the necessary information including the possibility of requesting the Committee to compel the applicant to submit responses.

Staff met with the applicant in a Data Response and Issues workshop on April 17. Staff and the applicant had a very cooperative discussion. Staff will be prepared to fully address discovery issues in our second status report, due May 22.

INTERVENORS

No data requests have been filed by intervenors to this proceeding.

AGENCY PARTICIPATION

The primary agency interaction to date has been with the City of Escondido and the San Diego Air Pollution Control District (SDAPCD). Both agencies attended and participated in both the Committee's Informational Hearing and Site Visit and staff's Data Response and Issues workshop. On April 5, 2002, the SDAPCD requested that the applicant provide additional data. This information was provided to the SDCAPC on April 16 and staff expects to receive copies of this information in the next few days.

ISSUES

In our March 15 Issue Identification Report (IIR) staff identified potential issues with the environmental baseline of the project, air quality, and traffic and transportation.

ENVIRONMENTAL BASELINE

The Committee, in its Scheduling Order of April 2, 2002, noted the technical areas which require coordination with the City of Escondido in order to resolve potential environmental baseline related issues. This coordination is ongoing but, as noted by the Committee, has the potential to delay the Commission's action on the proposed project. Please see the discussion of **PROJECT SCHEDULE** later in this document.

AIR QUALITY

Staff's IIR identified four potentially critical air quality issues that could affect the timing and outcome of the licensing process for the Palomar Energy Project. They included: 1) accurate representation of construction impacts; 2) cumulative effects; 3) mitigating

respirable particulate matter (PM₁₀) impacts; and, 4) mitigation for ozone and secondary PM₁₀ impacts.

Issues relating to construction impacts were resolved by the April 8 data responses. Staff continues to work with the San Diego Air Pollution Control District to resolve any cumulative issues related to the Palomar Energy project, including issues related to natural gas supply raised by the District.

Issues related to the mitigation of PM₁₀ impacts continues to be a concern for staff. Staff is expecting additional mitigation to be provided by the applicant in order to resolve this issue.

The applicant has provided staff a proposed strategy for mitigating the project's ozone and secondary PM₁₀ impacts. Staff is reviewing the proposed strategy to determine its adequacy.

TRAFFIC AND TRANSPORTATION

Staff's analysis of the traffic and transportation impacts of the Palomar Energy project will rely on the City of Escondido's analysis of the transportation related impacts of the ERTC. Staff will continue to work closely with the City and the applicant to resolve any traffic and transportation impacts related to the direct and cumulative impacts of the Palomar Energy project.

PROJECT SCHEDULE

Staff anticipates publishing their PSA in early July, as shown in the Committee's schedule. Recent information from the City of Escondido regarding their schedule for the review of the ERTC, however, will impact later portions of the Committee's schedule.

On April 17, 2002, staff received, via email, a letter from Charles Grimm, Director of Planning and Building for Escondido, and Jonathan Brindle, the City's Assistant Planning Director. The letter provides a revised processing schedule for the City's adoption of the Specific Plan and related environmental documents. The City now expects to hold their adoption hearing for the ERTC project in mid-November of 2002.

The Committee's adopted schedule for this proceeding contains specific dates, beginning in September, 2002, related to the completion of the ERTC review by the City. As a result of the City's new schedule, the Committee's adopted schedule for this proceeding is no longer viable.

Based on the information provided by the City of Escondido, staff recommends the following changes to the Committee's Schedule:

EVENT	ORIGINAL DATE	REVISED DATE
City FEIR Available	Early September	Early October
City Adopts ERTC Specific Plan Amendment	Early September	Mid-November
Applicant provides Biological Mitigation and Monitoring Plan	Early September	Mid-November
Staff Files Final Staff Assessment	Mid-September	Late November
Prehearing Conference after ERTC Specific Plan adoption	Mid-September	Late November

cc: Palomar Energy Project POS list