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State of California

California Natural Resources Agency

Memorandum

To: Commissioner Noemi Gallardo, Presiding Member
Commissioner Andrew McAllister, Associate Member

Date: March 29, 2024

From: California Energy Commission
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Subject: STATUS REPORT #6 FOR MORTON BAY GEOTHERMAL PROJECT (23-AFC-01)

The Presiding Member's Scheduling Order for the Morton Bay Geothermal Project (ENGP) Proceeding (Scheduling Order) filed on September 15, 2023, orders the parties to file a status report on "October 31st, and by the last business day of every month thereafter." California Energy Commission staff (CEC staff) is ordered to "include summaries of the progress of discovery in each monthly report, including descriptions of significant communications with other federal, state, and local agencies, and tribal governments, and identify any factors that may impact the schedule of the proceeding. Status reports shall also include a description of the outcome of any public workshop or other meeting held during that month."

Summary of Progress of Discovery and Known Issues

Status of Data Requests/Responses:

On March 4, 2024, CEC staff filed CEC's Response Letter to Application for Confidential Designation January 26, 2024 (TN 254824)

On March 4, 2024, the applicant filed Burrowing Owl Survey Report (TN 254834)

On March 8, 2024, the applicant filed Morton Bay Geothermal Project Data Response Set 4 (Revised Responses to Data Requests 12 and 13) (TN 254937)

On March 11, 2024, CURE filed [Preliminary Determination of Compliance] PDOC Comments and Exhibit A (TN 254968)

On March 11, 2024, James Blair filed, James Blair Comments-LV Equity Technical Advisory Group Comments on PDOC on behalf of Comite Civico del Valle's Lithium Valley Equity Technical Advisory Group for Morton Bay Geothermal, LLC (TN 254965)

On March 12, 2024, Aqua Terra Law Group filed Notice of Appearance for Aqua Terra Aeris Law Group on Behalf of UAW, Region 6, (TN 254992)

On March 13, 2024, CEC staff filed Staff's Motion to Extend the Due Date for the Preliminary Staff Assessment and the Public Comment Period (TN 255054)

On March 19, 2024, the applicant filed Morton Bay Geothermal Project Data Request Set 4 Air Dispersion Modeling Files (TN 255174)

On March 27, 2024, the applicant filed Morton Bay Geothermal LLC's Partial Opposition to CEC Staff's Motion to Extend the Due Date for the Preliminary Staff Assessment (TN 255305)

On March 27, 2024, CURE filed CURE Response to CEC Staff Motion (TN 255309)

Significant Communications with Other Government, Tribal Government, or Interested Entities

The CEC's Cultural/Tribal Cultural Resources staff continues to correspond with California Native American tribes and are working to set another intertribal meeting. Discussion items include project site physical features, and nearby cultural landmarks. Specifically, the three proposed geothermal projects encompass substantial acreage which necessitates more extensive data gathering to understand impacts than would be anticipated for a single site facility. CEC staff continues to work to overcome issues with physical access to sites and/or portions of sites. CEC staff's estimate of May 2024 to complete the Cultural and Tribal Cultural Resources section of the Preliminary Staff Assessment (PSA) remains accurate.

CEC staff conducted a meeting with Imperial Irrigation District (IID) staff on March 7, 2024, to ask clarifying questions about water supply in the district and solicit responses to staff questions about the draft Water Supply Assessment (WSA). Staff asked about IID's ability to provide for the long-term water needs of the proposed MBGP (as well as all three of the proposed geothermal projects). IID staff explained that the district has the mechanisms in place to ensure that water can be reallocated from agricultural users as needed to provide for the needs of industrial users. According to IID staff, historically, IID has met the needs of its water users without fail. CEC staff's remaining questions center on the timing of revisions to a draft WSA, which IID staff explained are dependent on the applicant providing additional information to IID.

CEC staff met with CalGEM staff to evaluate the potential issues raised by Cyrq and filed in the MBGP docket on February 26, 2024 (TN 254691) regarding the impacts to the Salton Sea Geothermal Resource (SSGR), and specifically well interference, resulting from location and directional drilling of proposed MBGP wells. Although more specific to MBGP, the discussions include a review of Cyrq's factual and scientific evidence related to the greater SSGR. Additional meetings are required to evaluate the claims and ensure any eventual construction of the three projects would be in a manner that preserves the ability

of the SSGR to provide the identified and adequate commercial quantities of the resource. Additional data requests are possible as a result of these discussions.

Factors That May Impact the Schedule

Ongoing necessary Cultural/Tribal Cultural Resource consultation, data gathering and impact evaluation, outstanding factual questions regarding water supply, outstanding factual questions regarding the PDOC, and outstanding questions regarding placement and configuration of wells to avoid any well interference or failure to optimize and preserve the SSGR have impacted the schedule for publication of the PSA. Technical staff is reviewing additional information provided that seems to be inconsistent with the information provided in the application. This data gathering and analytical work is required to provide the public and the committee a complete PSA addressing all impacts raised by parties and commenters to date.

Data in the applicant's Alternatives and Water Resources responses received as part of DRR Set 4 on February 12, 2024 (TN 254419) as well as information provided by IID on water supply and long-term reliability are continuing to guide development of a robust Alternatives discussion. An estimate of mid-May to complete the MBGP Alternatives PSA section is still accurate.

For all three projects, detailed comments have been docketed by multiple stakeholders raising concerns that the PDOC does not adequately address air quality impacts and is otherwise inadequate. Staff is reviewing these filings and engaging with the Imperial County Air Pollution Control District (ICAPCD). Staff anticipates meeting with ICAPCD to address the various technical concerns raised by commenters. CEC staff endeavors to provide the committee and the public with a full air quality and public health analysis, especially considering the relevant and technical comments received by the CEC on these topics. This will avoid the need to address known issues after the PSA is filed.