

# Memorandum

Date : July 10, 2002  
Telephone: (916) 653-1245  
File: 00-AFC-6

To : Commissioner Arthur H. Rosenfeld  
Susan Gefter, Hearing Officer

From : California Energy Commission - James W. Reede, Jr.  
1516 Ninth Street Siting Project Manager  
Sacramento, CA 95814-5512

Subject : **MAGNOLIA POWER PROJECT (00-AFC-6)**  
**3rd STATUS REPORT**

On March 29, 2002 the Committee issued a Scheduling Order in the Magnolia Power Project Proceeding. Since that order was issued, staff has worked with applicant and other agencies to attempt to meet the scheduling requirements. There are only two subject areas that remain unresolved in this proceeding, Air Quality and Soils & Water.

The Applicant has filed all critical path items from the March 29 schedule except for those related to the NPDES permit revision. The Applicant submitted the final documents required by the Los Angeles Regional Water Quality Control Board on July 2. These documents were filed 2 ½ months late. Because of this, the LARWQCB has not issued a Letter of Completeness. However, LARWQCB staff continued to review the Applicant's other submissions and expects to issue a Draft NPDES on July 25 for a 30-day comment period. Once comments have been received in late August, Energy Commission staff will need four weeks to complete the supplement to the Staff Assessment.

The Applicant submitted a Zero Liquid Discharge (ZLD) Option amendment to the AFC on May 14, for staff review and analysis. Commission staff subsequently issued data requests on May 30 and held a workshop on June 11, to address those data requests and other outstanding issues relating to the proposed Conditions of Certification. As a result of the discussions held during the workshop, additional data requests were issued on June 18 and were recently responded to on July 9. The various Conditions of Certification that had previously been objected to were all resolved with the exception of Soils and Water 3 and 4 and Air Quality C4 and 40.

The South Coast Air Quality Management District (SCAQMD) issued the Final Determination of Compliance (FDOC) April 9, as required by the schedule outlined in the Committee order. SCAQMD is currently reviewing the applicant's ZLD amendment and waiting for additional information regarding the sludge drier from the Applicant. If the SCAQMD modeling analysis concludes that a permit is required, SCAQMD staff estimates a six-week turn-around on issuance of an addendum. Even if no additional permit is required, the FDOC still must be amended because the applicant revised their Air Quality modeling due to elimination of the auxiliary boilers. The SCAQMD plans to issue only one addendum to the FDOC that would encompass both issues if necessary. This would include a 30-day public comment period and a concurrent 45-day EPA review period.

Commission staff has determined that based on the delayed submissions of Critical Path items, we must request a tolling schedule change as allowed in the Committee Order of March 29. Staff was scheduled to issue its supplement July 15, based on timely filings by the Applicant. The Applicant will be three months behind schedule when the draft NPDES permit and comments and FDOC addendum become available in late August. Provided that the FDOC addendum and draft NPDES Permit are released or resolved as discussed above, the earliest that staff would be able to issue a supplement is late September.

### SCHEDULE FOR MAGNOLIA PROJECT

	July 10	Parties file Status Reports #4
	July 25	<b>Initial Critical Path Items Required from Applicant **</b> <ul style="list-style-type: none"> <li>• Letter of Completeness for revised NPDES Permit Application from LARWQCB and Draft NPDES Permit</li> </ul>
	Aug 10	Parties file Status Reports #5
"N"	<b>August 26</b>	<b>Final Critical Path Items Required from Applicant **</b> <ul style="list-style-type: none"> <li>• Final Determination of Compliance (FDOC) Addendum</li> <li>• Draft NPDES Permit with comments</li> </ul>
	Sept 10	Parties file Status Reports #6
N + 30	Sept 25	Staff files and serves "Supplement to Staff Assessment"
N + 43	Oct 8	Staff Workshop on Supplement to Staff Assessment
N + 57	Oct 22	Staff Files and Serves "Comments on Supplement to Staff Assessment"
N + 63	Oct 28	Parties file Status Reports #7
		Committee Status Conference(s) / Pre-hearing Conference
		Committee Hearing Order
		Testimony Filed and Served
		Evidentiary Hearing (Possibly Preceded by Committee Status Conferences)
		Presiding Member's Proposed Decision (PMPD) Issued; Begin 30-day Public Comment Period
		Possible Hearing on FDOC and Final Agency Comments
		End of Public Comment Period on PMPD
		Decision on PMPD

\*\* **Schedule** to be tolled day-for-day due to submittal slippage.