

# Memorandum

Date : July 24, 2002

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To : William J. Keese, Chairman and Committee Member

From : California Energy Commission - **Bob Eller**  
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Subject : **PALOMAR ENERGY PROJECT (01-AFC-24) STATUS REPORT NO. 4**

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 previous reports focused on issues related to the schedule for adoption of the Escondido Research and Technology Center (ERTC) Specific Plan by the City of Escondido, and potential to delays to the Committee's adopted schedule for the project. Staff remains concerned that a significant delay in the adoption of the ERTC Specific Plan by the City will delay the Commission's completion of its review of this project.

Since the staff's June 20, 2002, status report, staff has continued to work closely with the City of Escondido. A revised Memorandum of Understanding with the City has been signed by the Executive Director and forwarded to the City for its signature. Staff expects the City to sign the MOU in the near future. The City of Escondido is expected to release the Draft Environmental Impact Report for the Escondido Research and Technology Center (ERTC) by the end of July.

## **CURRENT DATA REQUEST/DATA RESPONSES**

### **STAFF**

Data responses are, at this time, complete. Staff will identify any additional information needs in its Preliminary Staff Assessment (PSA), and will work with the applicant during the PSA workshops to resolve any remaining data needs and issues.

### **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.

The Preliminary Determination of Compliance (PDOC) from the SDAPCD was submitted electronically on July 3, 2002. The Committee's Scheduling Order assumed that the PDOC would be submitted in early June, and that the PSA would follow in early July. The delay in filing the PDOC has resulted in a delay in filing staff's PSA. In our last status report we stated that staff planned to file the PSA within one month of receiving the PDOC from the SDAPCD, consistent with the Committee's scheduling order. However, we now expect to submit the PSA by August 20 due to delays attributed to both the submission of additional information by the applicant and internal workload issues.

## **ISSUES**

Staff, in its March 15 Issue Identification Report (IIR), identified potential issues with the environmental baseline of the project, air quality, and traffic and transportation. Staff continues to work closely with the parties to resolve any traffic and transportation impacts related to the direct and cumulative impacts of the Palomar Energy Project.

## **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.

Staff will review the public ERTC Specific Plan Draft EIR, scheduled for release by the end of July, and will file any formal comments on this document with the parties.

## **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 (PM<sub>10</sub>) impacts; and, 4) mitigation for ozone and secondary PM<sub>10</sub> impacts.

Issues relating to construction impacts were resolved by the April 8 data responses, with the exception of PM<sub>10</sub>. 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 PM<sub>10</sub> impacts continue to be a concern for staff. Staff received a proposal for additional mitigation in the applicant's May 8 data response submittal. Staff is completing its review of the proposed strategy and will provide an analysis in the PSA.

In completing our analysis of visible plumes for the PSA, staff found that its model produced significantly different visible plume impact information than that provided by the applicant. Staff discussed this finding with the applicant who has indicated they will file additional information this week on the project's cooling tower design. Staff expects that, with this additional information and some corrections to staff's modeling assumptions, visible plumes should not be a significant issue for this project.

### **PROJECT SCHEDULE**

For the reasons stated above, staff anticipates publishing the PSA by August 20. This will delay the schedule beyond the early July PSA completion date contemplated in the Committee's Scheduling Order.