

CALIFORNIA ENERGY COMMISSION

1516 NINTH STREET
SACRAMENTO, CA 95814-5512STATE OF CALIFORNIA
ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION

DOCKET 98-AFC-20	
DATE	AUG 01 2007
REC'D.	AUG 06 2007

In the Matter of:

LA PALOMA GENERATING PROJECT

LA PALOMA GENERATING COMPANY, LLC

) **Docket No. 98-AFC-2C**

) **Order No. 07-0801-3**

)

) **ORDER AMENDING THE ENERGY COMMISSION DECISION TO ALLOW USE OF EITHER THE ZERO LIQUID DISCHARGE SYSTEM OR NEW INJECTION WELLS FOR WASTEWATER DISCHARGE**

On March 23, 2007, the California Energy Commission received a petition from the La Paloma Generating Company, LLC, requesting approval to amend the Energy Commission Decision for the La Paloma Generating Project (Project) to allow use of injection wells as the primary method of wastewater disposal and use of the zero liquid discharge (ZLD) system as a backup disposal option. In August of 2001, after the project operator experienced difficulties operating the project with the ZLD system, the Energy Commission staff approved the project owner's request to drill an injection well as a backup system for wastewater disposal. The 1,124-megawatt power plant is located east of the community of McKittrick in Kern County.

STAFF RECOMMENDATION

The Energy Commission staff reviewed the petition and finds that it complies with the requirements of Title 20, Section 1769(a) of the California Code of Regulations. Staff recommends approval of the La Paloma Generating Company, LLC petition to amend the Energy Commission certificate to allow use of injection wells as the primary method of wastewater disposal and use of the ZLD system as a backup disposal option. Staff also recommends that the Commission approve minor revisions to the Verification of Condition of Certification Soil & Water-4 to clarify the process for obtaining Energy Commission staff approval for the future development of individual injection well sites and the associated infrastructure.

COMMISSION FINDINGS

As mandated by Title 20, section 1769(a)(3) of the California Code of Regulations, the Energy Commission may only approve project modifications if specific findings are met. Following staff's review of the proposed amendment, Energy Commission staff recommends approval based on the following findings:

- A. There will be no new or additional unmitigated significant environmental impacts associated with the proposed changes.
- B. Adherence to the proposed revisions to Condition of Certification Soil & Water-4 will ensure the facility's compliance with all applicable LORS.
- C. The facility design changes will be beneficial to the project owner by avoiding energy curtailment in the event of a breakdown in the ZLD system.
- D. There has been a substantial change in circumstances since the Commission certification justifying the changes to the wastewater disposal system. The ZLD system that was approved for use and installed on the project, prior to the 2003 Integrated Energy Policy Report, has proved to be ineffective and unreliable for wastewater treatment.

CONCLUSION AND ORDER

The California Energy Commission hereby adopts staff's recommendations and approves revisions to the Decision, and the following changes to the La Paloma Generating Project Decision. Except for "**Verification**" below, deleted text from the Decision is shown in ~~strikethrough~~ and added text is underlined.

SOIL&WATER-4: ~~Prior to completion of rough grading, the~~ The project owner shall notify the Energy Commission Compliance Project Manager (CPM) which of the wastewater disposal methodologies, either injection wells and/or a zero liquid wastewater discharge system, will be used by the facility. If injection wells are the selected wastewater disposal option, the project owner shall provide a copy of the approved final Underground Injection Control Permit from the EPA for the proposed injection wells to Staff and notify the Energy Commission CPM of any changes to the permit. If the zero liquid wastewater discharge system is the selected methodology, the project owner shall submit to the CPM a description and schematic of the system. Within sixty (60) days (or within a timeframe approved by the CPM) of beginning operation of the project, the project owner shall submit to the CPM the results of Waste Extraction Test of the residual cake solid waste from the zero discharge system.

Verification: ~~Within sixty (60) days of certification, the~~ The project owner shall submit in writing a description of the selected wastewater disposal methodology to the Energy Commission CPM. If injection wells are selected, this notification shall include a copy of the approved final Underground Injection Control Permit from the EPA. The project owner shall notify the Energy Commission CPM in [writing] of any proposed changes to this permit, either initiated by the project owner or by the EPA. The project owner shall work with the Energy Commission staff and the resource agencies to locate all injection wells and associated infrastructure to avoid biological, cultural and paleontological resources. The project owner shall coordinate with the United States Fish and Wildlife Service and the California Department of Fish and Game to determine if any additional habitat compensation or mitigation is necessary for future injection wells. The project owner shall provide the CPM with documentation of the coordination and any required

habitat compensation or mitigation. Prior to the development of each injection well and associated infrastructure, the project owner shall conduct protocol level surveys for biological, cultural, and paleontological resources for any new injection wells and associated facilities. The results of these surveys shall be submitted to the Energy Commission Compliance Project Manager (CPM) for review and approval 60-days prior to any ground disturbance related to the injection wells and associated infrastructure.

The Cultural Resources Monitoring and Mitigation Plan (CRMMP), Biological Resources Monitoring, Implementation, and Mitigation Plan (BRMIMP), and Paleontological Resources Monitoring and Mitigation Plan (PRMMP) shall be amended, as determined by Energy Commission staff, to address the necessary survey protocols for the biological, cultural, and paleontological resource surveys that will be completed prior to the development of any injection wells or associated infrastructure.

The project owner shall provide a status report on injection well construction and operation to the Energy Commission CPM in the annual compliance report. If a the zero liquid discharge system is the ~~selected~~ operating disposal methodology, then within sixty (60) days of beginning operation of the project, or within a timeframe approved by the CPM, the project owner shall submit to the CPM the results of the Waste Extraction Test of the residual cake solid waste from the zero liquid wastewater system. A status report on construction and operation of the system, including the volume of residual cake solids generated and the landfills used for disposal, shall also be included in the annual compliance report submitted to the CPM.

IT IS SO ORDERED.

Date: August 1, 2007

STATE OF CALIFORNIA
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AND DEVELOPMENT COMMISSION



JAMES D. BOYD, Vice Chair