CALIFORNIA ENERGY COMMISSION 1516 Ninth Street Sacramento, California 95814

Main website: www.energy.ca.gov



RECD

Notice of Staff Issue Resolution Workshop for the CPV Sentinel Energy Project (07-AFC-3)

The California Energy Commission staff will conduct an Issue Resolution workshop for the CPV Sentinel Energy Project. The purpose is to discuss the applicant's response to **staff's** letter of December 21, 2007 regarding alternatives to the project's proposed wet cooling system and the applicant's options for responses to staffs data requests. A copy of this letter can be found on the Energy Commission's **website** under: <u>http://www.energy.ca.gov/sitingcases/sentinel/documents/2007-12-21_RESPONSE_TO_11-</u> **27_LETTER_FROM_APPLICANT.PDF**

All interested agencies and members of the public are invited to participate. The workshop will be held:

THURSDAY, JANUARY 24,2008 1:00 to 4:00 p.m. CALIFORNIA ENERGY COMMISSION 2nd FLOOR CONFERENCE ROOM (FISHBOWL) 1516 NINTH STREET, SACRAMENTO, CA (Wheelchair Accessible)

CONFERENCE CALL IN NUMBER (Toll Free) 888-566-5771

Background

On June 25, 2007, CPV Sentinel, LLC submitted an Application for Certification (AFC) to the California Energy Commission to construct and operate a simple-cycle (peaking) power plant. The Sentinel project is a proposed nominally rated 850 megawatt (MW) electrical generating facility that would encompass 37 acres of land situated within unincorporated Riverside County, California, adjacent to the Palm Springs northern city limits. The proposed project consists of eight natural gas-fired General Electric (GE) LMS100 combustion turbine generators operating in simple-cycle mode. The project has a contract with Southern California Edison for 550 megawatts (MW) and would supply quick-start peaking capacity, energy, and ancillary services into the California Independent System Operator's Los Angeles Basin Local Capacity Requirement Area.

Purpose

The Energy Commission staff is currently analyzing CPV Sentinel, LLC's AFC for the proposed development of the CPV Sentinel Energy Center (Sentinel). The Energy

Proof of Service List (Revised on 10/15/07) filed with Original Document. Mailed from Sacramento on 1114108 TP).

Commission has adopted a policy regarding the use of fresh water in association with power plants. Specifically, the Energy Commission's 2003 Integrated Energy Policy Report (IEPR) states: the Energy Commission will approve the use of fresh water for cooling purposes by power plants which it licenses only where alternative cooling technologies are shown to be "environmentally undesirable" or "economically unsound." Based upon what we know today and stated in the December 21,2007 letter to the applicant, staff does not believe the proposed CPV Sentinel project complies with the State Water Resources Control Board (SWRCB) and the Energy Commission's IEPR policy regarding the use of fresh inland water for power plant cooling. Further, staff is in the process of assessing whether the project would cause a significant adverse impact to water resources in the region associated with depleting an already overdrafted water basin.

Staff is seeking to evaluate project alternatives that would mitigate a potential significant environmental impact and comply with Laws, Ordinances, Regulations and Standards (LORS). Options that do not require the use of fresh inland water may include:

- Use of the Desert Hot Springs Sub-basin groundwater as a source of lower quality, high total dissolved solids (TDS) groundwater.
- Use of a different inlet and turbine inter-cooling method, such as a mechanical **a**irchiller with air cooling, instead of using a wet cooling tower.

Public Participation

The Energy Commission's Public Adviser's Office provides the public with assistance in participating in Energy Commission activities. If you want information on how to participate in this proceeding, please contact Nick Bartsch of the Public Adviser's Office at (916) 654-4489 or toll free at (800) 822-6228, by FAX at (916) 654-4493, or by e-mail at pao@energy.state.ca.us. If you have a disability and require assistance to participate, please contact Lou Quiroz at (916) 654-5146 at least five days in advance.

Questions

General information and documents on the proposed project are available on the Energy Commission's website at <u>http://www.energy.ca.gov/sitingcases/sentinel/index.html</u>, Staff's December 21,2007 letter can be found on this link under the Staff Document heading. Please direct all news media inquiries to Claudia Chandler, Assistant Executive Director, at (916) 654-4989 or e-mail at <u>mediaoffice@energy.state.ca.us</u>. For technical questions on the subject matter, please contact Bill Pfanner, Project Manager, at (916) 654-4206 or by e-mail to <u>bpfanner@energy.state.ca.us</u>. If you are unable to attend the workshop, written comments may be sent to the staff's project manager electronically or to the Energy Commission's street address shown on the letterhead of this notice.

Date: 1/14/08

Terrence O'Brien, Deputy Director Energy Facilities Siting Division

Proof of Service List Mail List: THURSDAY, JANUARY 24, 2008 1:00 to 4:00 p.m. CALIFORNIA ENERGY COMMISSION 2nd FLOOR CONFERENCE ROOM (FISHBOWL) 1516 NINTH STREET, SACRAMENTO, CA (Wheelchair Accessible)



BEFORE THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT COMMISSION OF THE STATE OF CALIFORNIA

APPLICATION FOR CERTIFICATION FOR THE CPV SENTINEL ENERGY PROJECT Power Plant Licensing Case

INSTRUCTIONS: All parties shall 1) send an original signed document plus 12 copies OR 2) mail one original signed copy AND e-mail the document to the web address below, AND 3) all parties shall also send a printed OR electronic copy of the documents that <u>shall include a proof</u> of service declaration to each of the individuals on the proof of service:

CALIFORNIA ENERGY COMMISSION Attn: Docket No. 07-AFC-3 1516 Ninth Street, MS-4 Sacramento, CA 95814-5512 docket@energy.state.ca.us

APPLICANT

CPV Sentinel, LLC Mark O. Turner, Director Competitive Power Ventures, Inc. 55 2nd Street, Suite 525 San Francisco, CA 94105 mturner@cpv.com

APPLICANT'S CONSULTANTS

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COUNSEL FOR APPLICANT

Michael J. Carroll LATHAM & WATKINS LLP 650 Town Center Drive, 20th Floor Costa Mesa, CA 92626-1925 michael.carroll@lw.com Docket No. 07-AFC-3 PROOF OF SERVICE (Revised 10/15/07)

INTERESTED AGENCIES

Larry Tobias Ca. Independent System Operator 151 Blue Ravine Road Folsom, CA 95630 LTobias@caiso.com

Electricity Oversight Board Eric Saltmarsh 770 L Street, Suite 1250 Sacramento, CA 95814 esaltmarsh@eob.ca.gov

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INTERVENORS

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DECLARATION OF SERVICE

I, <u>Terry Piotrowski</u>, declare that on <u>January 14</u>, 2008, I deposited copies of the attached <u>Notice of Staff Issue</u> <u>Resolution Workshop</u> in the United States mail at <u>Sacramento. CA</u> with first-classpostage thereon fully prepaid and addressed to those identified on the Proof of Service list above.

<u>OR</u>

Transmission via electronic mail was consistent with the requirements of California Code of Regulations, title 20, sections 1209, 1209.5, and 1210. All electronic copies were sent to all those identified on the Proof of Service list above.

I declare under penalty of perjury that the foregoing is true and correct.

_____ Original Signed by_____ Terry Piotrowski