

CALIFORNIA ENERGY COMMISSION

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DOCKET**09-AFC-7**DATE OCT 01 2009RECD OCT 01 2009**TO: AGENCY DISTRIBUTION LIST****REQUEST FOR AGENCY PARTICIPATION IN THE REVIEW OF THE PALEN SOLAR POWER PROJECT, DISTRIBUTION OF APPLICATION FOR CERTIFICATION (09-AFC-7)**

On August 24, 2009, the California Energy Commission received an Application For Certification (AFC) from Solar Millennium, LLC and Chevron Energy Solutions to construct and operate the Palen Solar Power Project in Riverside County.

As part of our review process, the staff of the Energy Commission endeavors to work closely with local, state and federal agencies to ensure that all laws, ordinances, regulations and standards are met and incorporated into the final decision of the Energy Commission.

Project Description

The Palen Solar Power Project (project) is a concentrated solar thermal electric generating facility with two adjacent, independent, and identical units of 250 megawatt (MW) nominal capacity each for a total nominal capacity of 500 MW. The project is proposed to be located in the Southern California inland desert, approximately 10 miles east of the small community of Desert Center, in eastern Riverside County, California; approximately halfway between the cities of Indio and Blythe; and about three miles east of the southeast end of Joshua Tree National Park. The applicants are seeking a right-of-way grant for approximately 5,200 acres of lands owned by the federal government and administrated by the Bureau of Land Management (BLM). Construction and operation of the project would disturb a total of about 2,970 acres.

The project would generate electric power through solar energy using parabolic trough technology. Pipelines supplying water would be routed from on-site wells to water treatment units. Water would be used principally for solar mirror washing, feedwater makeup, onsite domestic use, cooling of auxiliary equipment, and firewater supply. Total water consumption for the project is estimated at 300 acre-feet per year.

The project would use two propane-fueled boilers for quick startup and two heaters for freeze protection. Electric transmission lines would connect each steam turbine generator to a central internal switchyard. From this switchyard, a new double-circuit 230 kilovolt (kV) transmission line would interconnect with Southern California Edison's (SCE) regional transmission system at its planned Red Bluff substation. At the time the AFC was filed, no project transmission line route was described or finalized.

If approved, project construction would begin in the fourth quarter of 2010, with commercial operation commencing in mid 2013.

Energy Commission and Bureau of Land Management Joint Review Process

The BLM and the Energy Commission have executed a Memorandum of Understanding concerning their intent to conduct a joint environmental review of the project in a single National Environmental Policy Act (NEPA)/California Environmental Quality Act (CEQA) process. It is in the interest of the BLM and the Energy Commission to share in the preparation of a joint environmental analysis of the proposed project to avoid duplication of staff efforts, to share staff expertise and information, to promote intergovernmental coordination at the local, state, and federal levels, and to facilitate public review by providing a joint document and a more efficient environmental review process.

Under federal law, the BLM is responsible for processing requests for rights-of-way to authorize the proposed project and associated transmission lines and other facilities to be constructed and operated on land it manages. In processing applications, the BLM must comply with the requirements of NEPA, which requires that federal agencies reviewing projects under their jurisdiction consider the environmental impacts associated with the proposed project construction and operation.

As the lead agency under CEQA, the Energy Commission is responsible for reviewing and ultimately approving or denying all applications to construct and operate thermal electric power plants, 50 MW and greater, in California. The Energy Commission's facility certification process carefully examines public health and safety, environmental impacts and engineering aspects of proposed power plants and all related facilities such as electric transmission lines and natural gas and water pipelines.

The first step in the Energy Commission's review process is for staff to determine whether or not the AFC contains all the information required by its regulations. When the Energy Commission determines the AFC is complete, staff will begin data discovery and issue analysis phases. At that time, a detailed examination of the issues will occur.

Agency Participation

To ensure that the Energy Commission has the information needed in order to make a decision, the Energy Commission's regulations identify a special role for federal, state, and local agencies (see, California Code of Regulations, title 20, sections 1714, 1714.3, 1714.5, 1742, 1743, and 1744). As a result, we request that you conduct a review of the AFC and provide us with the following information:

- 1) a discussion of those aspects of the proposed site and related facilities for which your agency would have jurisdiction but for the exclusive jurisdiction of the Energy Commission to certify sites and related facilities;
- 2) a determination of the completeness of the list in the AFC of the laws, regulations, ordinances, or standards which your agency administers or enforces and would be applicable to the proposed site and related facilities but for the Energy Commission's exclusive jurisdiction;
- 3) a description of the nature and scope of the requirements which the applicant would need to meet in order to satisfy the substantive requirements of your agency but for the Energy Commission's exclusive jurisdiction, and identification of any

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analyses that the Energy Commission should perform in order to determine whether these substantive requirements can be met; and

- 4) an analysis of whether there is a reasonable likelihood that the proposed project will be able to comply with your agency's applicable substantive requirements.

The scope of your agency's comments on the AFC should encompass *significant* concerns, and substantive requirements that would be required for permitting by your agency but for the Energy Commission's exclusive jurisdiction or certification (California Code of Regulations, title 20, section 1714.5, subdivision (a)(2); emphasis added). Please let us know if you need additional information or need to perform analyses or studies in order to resolve any concerns of your agency (California Code of Regulations, title 20, section 1714.5).

Assuming that the proposed project is found to be data adequate on **October 7, 2009**, we request that all agency comments be provided to us by **December 7, 2009**, except for the South Coast Air Quality Management District's Preliminary and Final Determinations of Compliance, which should be provided by **February 4, 2010** and **April 5, 2010**, respectively. You may be asked to present and explain your conclusions at public and evidentiary hearings on the project (see, California Code of Regulations, title 20, sections 1714.3, 1714.5, 1743, 1744.5, and 1748). Local agencies may seek reimbursement for reasonable costs incurred in responding to these requests. However, per California Code of Regulations, title 20, section 1715 reimbursement is not available to state and federal agencies.

Enclosed is a copy of the AFC in electronic format (CD). If you would like to have a hard copy of the AFC sent to you, if you have questions, or if you would like to participate in the Energy Commission's review of the proposed project, please contact Alan Solomon, Energy Commission Project Manager, at (916) 653-8236, or by email at asolomon@energy.state.ca.us. The status of the proposed project, copies of notices, a copy of the AFC, and other relevant documents are also available on the Energy Commission's Internet web site at:

http://www.energy.ca.gov/sitingcases/solar_millennium_palen/index.html. You can also subscribe to receive email notification of all notices at <http://www.energy.ca.gov/listservers>.

Sincerely,

Eileen Allen, Manager
Energy Facilities Siting and Dockets Office

Enclosure