

CALIFORNIA ENERGY COMMISSION

1516 NINTH STREET
SACRAMENTO, CA 95814-5512
www.energy.ca.gov

09-AFC-7DATE DEC 21 2009RECD DEC 21 2009**TO: AGENCY DISTRIBUTION LIST**

REQUEST FOR AGENCY PARTICIPATION IN THE REVIEW OF THE PALEN SOLAR POWER PROJECT, DISTRIBUTION OF APPLICATION FOR CERTIFICATION SUPPLEMENT (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. On October 26, 2009, a Supplement to the AFC was received and evaluated by staff. Subsequently, at the Energy Commission's November 18, 2009 Business Meeting, the AFC was deemed complete, beginning staff's analysis of the proposed project.

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

PROOF OF SERVICE (REVISED 12/15/09) FILED WITH
ORIGINAL MAILED FROM SACRAMENTO ON 12/21/09

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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.

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 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.

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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).

The project was found to be data adequate on **November 18, 2009**, we request that all agency comments be provided to us by **January 18, 2010**, except for the South Coast Air Quality Management District's Preliminary and Final Determinations of Compliance, which should be provided by **March 18, 2010** and **May 18, 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



BEFORE THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT
COMMISSION OF THE STATE OF CALIFORNIA
1516 NINTH STREET, SACRAMENTO, CA 95814
1-800-822-6228 – WWW.ENERGY.CA.GOV

APPLICATION FOR CERTIFICATION
FOR THE *PALEN SOLAR POWER*
PLANT PROJECT

Docket No. 09-AFC-7

PROOF OF SERVICE
(Revised 12/15/09)

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DECLARATION OF SERVICE

I, Hilarie Anderson, declare that on December 21, 2009, I served and filed copies of the attached, Library Letter, Notice of Receipt, and Agency Participation Letter. The original document, filed with the Docket Unit, is accompanied by a copy of the most recent Proof of Service list, located on the web page for this project at: [\[http://www.energy.ca.gov/sitingcases/solar_millennium_palen\]](http://www.energy.ca.gov/sitingcases/solar_millennium_palen)

The documents have been sent to both the other parties in this proceeding (as shown on the Proof of Service list) and to the Commission's Docket Unit, in the following manner:

(Check all that Apply)

FOR SERVICE TO ALL OTHER PARTIES:

- sent electronically to all email addresses on the Proof of Service list;
- by personal delivery or by depositing in the United States mail at Sacramento, CA with first-class postage thereon fully prepaid and addressed as provided on the Proof of Service list above to those addresses **NOT** marked "email preferred."

AND

FOR FILING WITH THE ENERGY COMMISSION:

- sending an original paper copy and one electronic copy, mailed and emailed respectively, to the address below (***preferred method***);

OR

- depositing in the mail an original and 12 paper copies, as follows:

CALIFORNIA ENERGY COMMISSION

Attn: Docket No. 09-AFC-7
1516 Ninth Street, MS-4
Sacramento, CA 95814-5512
docket@energy.state.ca.us

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

Original Signature in Dockets
Hilarie Anderson