



MWD

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Executive Office

DOCKET

09-AFC-8

DATE 09/27/10

RECD. 09/28/10

September 27, 2010

Via Electronic & U.S. Mail

Mike Monasmith
Siting, Transmission and Environmental
Protection Division
California Energy Commission
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Allison Shaffer
Project Manager
Palm Springs South Coast Field Office
Bureau of Land Management
1201 Bird Center Drive
Palm Springs, California 92262

To Whom it May Concern:

Notice of Availability of the Final Environmental Impact Statement for the Genesis Solar, LLC Genesis Solar Energy Project and Proposed California Desert Conservation Area Plan Amendment, CEC Docket No. 09-AFC-8, BLM Docket No. CACA 4880

The Metropolitan Water District of Southern California (Metropolitan) has reviewed the Final Environmental Impact Statement and Possible California Desert Conservation Area Plan Amendment (collectively FEIS) for the Genesis Solar Energy Project (Project). Metropolitan submitted comments on the draft EIS on June 15, 2010 that are attached hereto and incorporated by reference. In sum, as a contractor receiving delivery of Colorado River supplies, Metropolitan remains concerned about the Project's potential direct and cumulative impacts on water supplies, specifically potential impacts on Colorado River and local groundwater supplies.

The Bureau of Land Management (BLM) responded to Metropolitan's comment regarding potential impacts on Colorado River and local water supplies in response number 2-003, that "the proposed action would not interfere with any water right or MWD's ability to divert water from the Colorado River and therefore the Project would not have any direct or indirect effect on water resources, including the Colorado River and local groundwater supplies." Response 2-003 also states that proposed groundwater extraction in support of the Project could interfere with groundwater flows that would be tributary to the Colorado River, but that the mitigation measures WATER-15 and WATER-19 would mitigate or completely offset these effects and therefore, the proposed action would not interfere with any water right or MWD's ability to divert water from the Colorado River.

Nevertheless, the preamble to mitigation measure SOIL&WATER-15 in Appendix G (Metropolitan assumes that this mitigation measure is the same as WATER-15 referred to in response 2-003) reveals a difference of opinion between the Project Owner and the California Energy Commission regarding the Project's potential effects/impacts on the Colorado River and associated drains and, therefore, mitigation to offset any Palo Verde Valley Groundwater Basin water budget depletion will be required. This mitigation measure, SOIL&WATER-15, requires that the Project Owner submit a Water Supply Plan to the Compliance Project Manager (CPM)

Mike Monasmith, Allison Shaffer
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Page 2

for review and approval thirty days before the start of extraction of groundwater for construction or operation.

Metropolitan requests to be included, along with the Colorado River Board of California, in BLM's process of reviewing all groundwater and hydrogeological monitoring and reporting provided by the Project Owner related to local groundwater and Colorado River resources prior to BLM's approval of the reports. These reports would include the Water Supply Plan discussed above, as well as the Water Policy Compliance Water Supply Plan (SOIL&WATER-18) and the report provided pursuant to SOIL&WATER-19.

We appreciate the opportunity to provide input to your planning process and we look forward to receiving future environmental and related documentation on this project. If we can be of further assistance, please contact Dr. Debbie Drezner at (213) 217-5687.

Very truly yours,



John Shamma
Manager, Environmental Planning Team

DSD/dsd

(J:\Environmental-Planning & Compliance\Completed Jobs\September 2010\Job No. 10092713)

Attachment: Comment Letter on Genesis Solar Energy Project DEIS dated June 15, 2010

cc: Gerald R. Zimmerman, Acting Executive Director
Colorado River Board of California
770 Fairmont Avenue, Suite 100
Glendale, California 91203-1068



MWD

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Executive Office

JUNE 15, 2010

Via Electronic & U.S. Mail

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Bureau of Land Management
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Palm Springs, California 92262

To Whom it May Concern:

Notice of Availability of the
Draft Environmental Impact Statement/Staff Assessment for the NextEra Energy
Resources Genesis Solar Energy Project and Possible California Desert Conservation
Area Plan Amendment; CEC Docket No. 09-AFC-8, BLM Docket No. CACA 4880

The Metropolitan Water District of Southern California (Metropolitan) reviewed the Draft Environmental Impact Statement/Staff Assessment (collectively, "DEIS") for the NextEra Energy Resources Genesis Solar Energy Project and Possible California Desert Conservation Area Plan Amendment (Project). The U.S. Bureau of Land Management (BLM) is the lead agency under the National Environmental Policy Act (NEPA) for the DEIS and the California Energy Commission (CEC) is the lead agency (for licensing thermal power plants 50 megawatts and larger) under the California Environmental Quality Act (CEQA) and has a certified regulatory program under CEQA. Under its certified program, CEC is exempt from having to prepare an environmental impact report. Its certified program, however, requires environmental analysis of the project or a "staff assessment," including an analysis of alternatives and mitigation measures to minimize any significant adverse effect the project may have on the environment.

Metropolitan is pleased to submit comments for consideration by BLM and CEC during the public comment period for the DEIS and staff assessment.¹ In sum, Metropolitan provides these comments to ensure that any potential impacts on its facilities in the vicinity of the Project and on the Colorado River water resources are adequately addressed.

¹ Comments on the DEIS and Revised Staff Assessment are due July 8, 2010 per the Federal Register notice. 75 Fed. Reg. 18204 (April 9, 2010). This comment deadline applies to the CEC's Revised Staff Assessment issued June 11, 2010 regardless of whether it is finalized separately from BLM's DEIS as the relevant comment periods may not be reduced or altered retroactively.

Background

Metropolitan is a public agency and regional water wholesaler. It is comprised of 26 member public agencies serving more than 19 million people in six counties in Southern California. One of Metropolitan's major water supplies is the Colorado River via Metropolitan's Colorado River Aqueduct (CRA). Metropolitan holds an entitlement to water from the Colorado River. The CRA consists of tunnels, open canals and buried pipelines. CRA-related facilities also include above and below ground reservoirs and aquifers, access and patrol roads, communication facilities, and residential housing sites. The CRA, which can deliver up to 1.2 million acre-feet of water annually, extends 242 miles from the Colorado River, through the Mojave Desert and into Lake Mathews. Metropolitan has five pumping plants located along the CRA, which consume approximately 2,400 gigawatt-hours of energy when the CRA is operating at full capacity.

Concurrent with its construction of the CRA in the mid-1930s, Metropolitan constructed 305 miles of 230 kV transmission lines that run from the Mead Substation in Southern Nevada, head south, then branch east to Parker, California, and then west along Metropolitan's CRA. Metropolitan's CRA transmission line easements lie on federally-owned land, managed by BLM. The transmission lines were built for the sole and exclusive purpose of supplying power from the Hoover and Parker projects to the five pumping plants along the CRA.

Metropolitan's ownership and operation of the CRA and its 230 kV transmission system is vital to its mission to provide Metropolitan's 5,200 square mile service area with adequate and reliable supplies of high-quality water to meet present and future needs in an environmentally and economically responsible way.

Project Understanding

Genesis Solar LLC, a Delaware limited liability company and wholly owned subsidiary of NextEraTM Energy Resources LLC, proposes to construct, own, and operate the Genesis Solar Energy Project. The Project would be a concentrated solar electric generating facility that would be located in Riverside County, California.

The Project would consist of two independent solar electric generating facilities with a nominal net electrical output of 125 megawatts (MW) each, for a total net electrical output of 250 MW. Electrical power would be produced using steam turbine generators fed from solar steam generators. The solar steam generators receive heated transfer fluid from solar thermal equipment comprised of arrays of parabolic mirrors that collect energy from the sun.

The Project proposes use of a wet cooling tower for power plant cooling. Water for cooling tower makeup, process water makeup, and other industrial uses such as mirror washing would be supplied from on-site groundwater wells. Project cooling water blow down would be piped to lined, on-site evaporation ponds.

The Project water needs will be met by use of groundwater pumped from one of two wells on the plant site. Water for domestic uses by project employees will also be provided by onsite

groundwater treated to potable water standards. During construction, the Project proponent anticipates using up to 2,440 acre-feet of water over the course of approximately three years. Following construction and for long-term operations, the average total annual water usage for all four units combined is estimated to be about 1,644 acre-feet per year (afy).

The project is located approximately 25 miles west of the city of Blythe, California, on lands managed by BLM. The project is an undeveloped area of the Sonoran Desert. Surrounding features include the McCoy Mountains to the east, the Palen Mountains (including the Palen/McCoy Wilderness Area) to the north, and Ford Dry Lake, a dry lakebed, to the south. I-10 is located to the south of the Project.

Land Use Issues: Potential Impacts on Metropolitan Facilities

Although Metropolitan has not yet identified any direct land use impacts, the Project is in the general vicinity of Metropolitan facilities, perhaps as close as 4 miles. As described above, Metropolitan currently has a significant number of facilities, real estate interests, and fee-owned rights-of-way, easements, and other properties (Facilities) located on or near BLM-managed land in southern California that are part of our water distribution system. Metropolitan is concerned with potential direct or indirect impacts that may result from the construction and operation of any proposed solar energy project on or near our Facilities. In order to avoid potential impacts, Metropolitan requests that the final EIS and staff assessment include an assessment of potential impacts to Metropolitan's Facilities with proposed measures to avoid or mitigate significant adverse effects.

Metropolitan is also concerned that locating solar projects near or across its electrical transmission system could have an adverse impact on Metropolitan's electric transmission-related operations and Facilities. From a reliability and safety aspect, Metropolitan is concerned with development of any proposed projects and supporting transmission systems that would cross or come in close proximity with Metropolitan's transmission system. Metropolitan requests that the final EIS and staff assessment analyze and assess any potential impacts to Metropolitan's transmission system.

Water Resources: Potential Impacts on Colorado River and Local Water Supplies

Metropolitan is also concerned about the Project's potential direct and cumulative impacts on water resources, specifically potential impacts on Colorado River and local groundwater supplies. As noted above, Metropolitan holds an entitlement to imported water supplies from the Colorado River. Water from the Colorado River is allocated pursuant to federal law and is managed by the Department of the Interior, Bureau of Reclamation (USBR). In order to lawfully use Colorado River water, a party must have an entitlement to do so. *See Boulder Canyon Project Act of 1928, 43 U.S.C. §§ 617, et seq.; Arizona v. California, 547 U.S. 150 (2006).*

As noted above, the Project proposes to use approximately 2,440 af of water during construction and 1,644 afy for long-term operations, using groundwater from a groundwater basin that is hydrogeologically connected to the Colorado River, within an area referred to as the "accounting surface." The extent of accounting surface area for the Colorado River was determined by the

Mike Monasmith, Allison Shaffer
June 15, 2010
Page 4

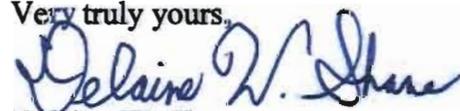
U.S. Geological Survey (USGS) and USBR as part of an on-going rule-making process. *See* Notice of Proposed Rule Regulating the Use of the Lower Colorado River Without an Entitlement, 73 Fed. Reg. 40916 (July 16, 2008); USGS Scientific Investigation Report No. 2008-5113. To the extent the Project uses Colorado River water, it must have a documented right to do so.

Entities in California are using California's full entitlement of Colorado River water, meaning that all water is already contracted and no new water entitlements are available in California. In addition, the California contractors have agreed in the 1931 Seven Party Agreement to prioritize the delivery of California's Colorado River water among themselves. Under this priority agreement, the following mitigation alternatives identified in SOIL&WATER-15 are no longer available to Proponents to mitigate impacts to Colorado River water resources: "payment for irrigation improvements in Palo Verde Irrigation District, purchase of water rights within the Colorado River Basin that will be held in reserve, and/or BLM's Tamarisk Removal Program." Instead, Proponents would have to obtain Colorado River water for the Project from the existing junior priority holder, Metropolitan, which has the authority to sell water for power plant use. Mitigation measure SOIL&WATER-15 should be revised accordingly. Metropolitan is willing to discuss the exchange of a portion of its water entitlement subject to any required approvals by Metropolitan's Board of Directors and so long as the Proponents agree to provide a replacement supply through an agreement with Metropolitan. Proponents must fully address the impacts on Colorado River water resources and provide full mitigation for such impacts, including replacement of supply.

Additionally, CEC and BLM should assess the potential cumulative impacts of the use of the scarce Colorado River and local groundwater supplies in light of other pending renewable energy projects within the Colorado River Basin and the local groundwater regions. Metropolitan requests that the final EIS and staff assessment address the Proponent's water supply and any potential direct or cumulative impacts from this use.

We appreciate the opportunity to provide input to your planning process and we look forward to receiving future environmental and related documentation on this project. If we can be of further assistance, please contact Dr. Debbie Drezner at (213) 217-5687.

Very truly yours,

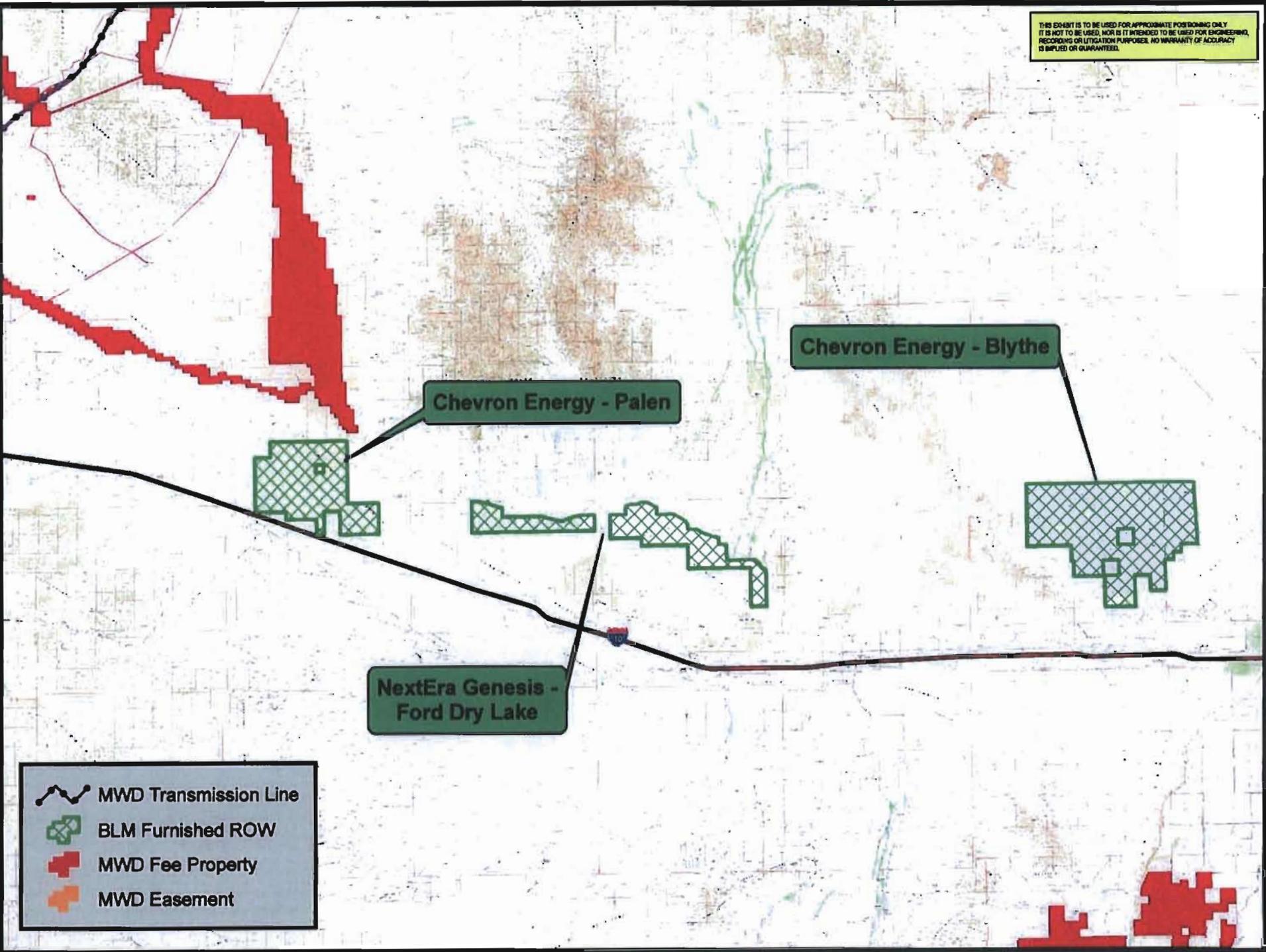


Delaine W. Shane
Manager, Environmental Planning Team

DSD/dsd
(Public Folders/EPT/Letters/EPT Final Letters PDF/2010/15-JUN-10A.doc)
Enclosures: Map

THIS EXHIBIT IS TO BE USED FOR APPROXIMATE POSITIONING ONLY. IT IS NOT TO BE USED, NOR IS IT INTENDED TO BE USED FOR ENGINEERING, RECORDING OR LITIGATION PURPOSES. NO WARRANTY OF ACCURACY IS IMPLIED OR GUARANTEED.

Project: Environmental Planning/Resource Management/Power/Energy/Transmission/Right of Way Engineering Team Checked by: Debra Danner Job# 05810-05-21



-  MWD Transmission Line
-  BLM Furnished ROW
-  MWD Fee Property
-  MWD Easement

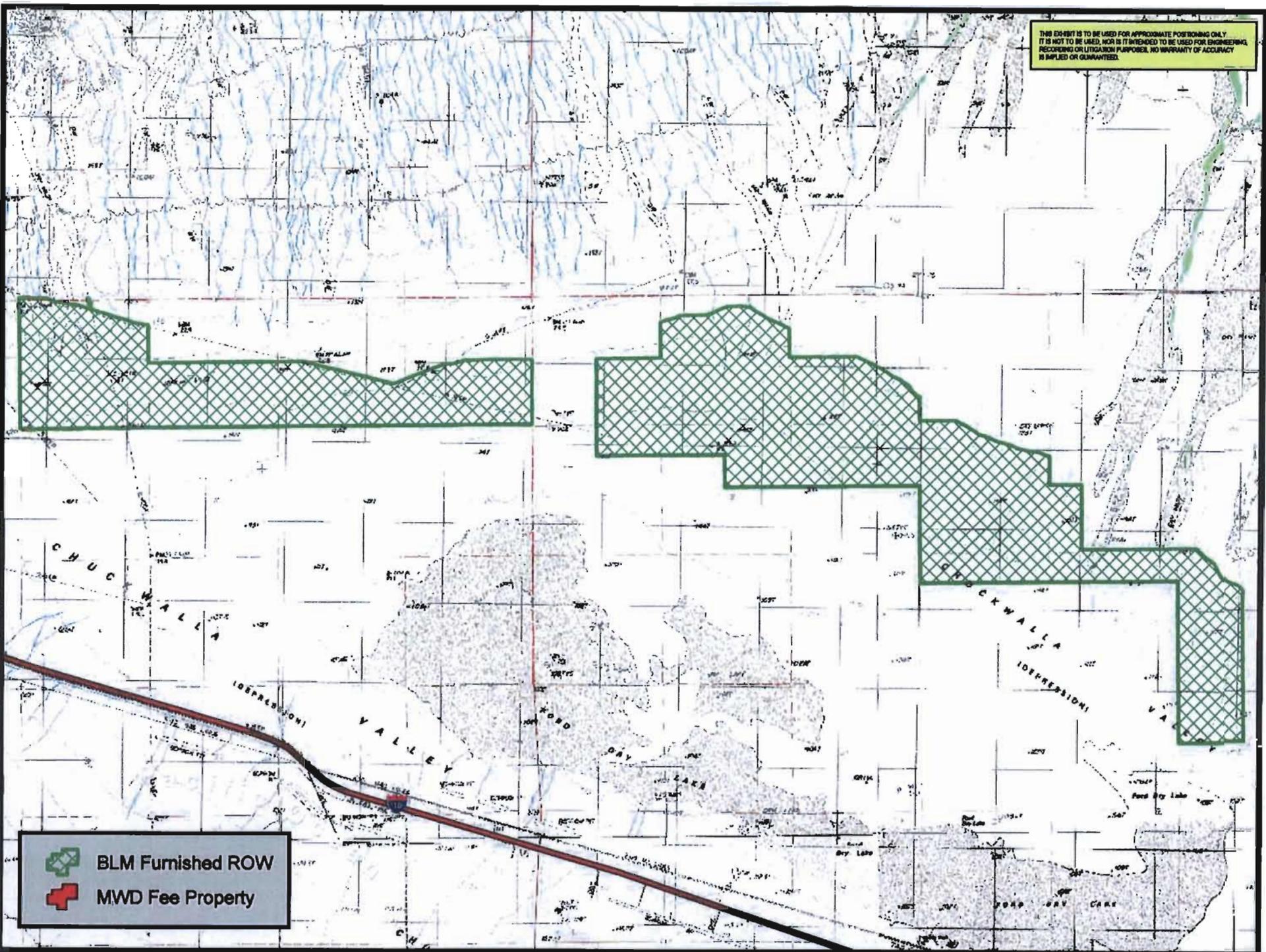
Chevron Energy - Palen

Chevron Energy - Blythe

NextEra Genesis - Ford Dry Lake

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Checked by: Debbie Crocker Job# 081005-21
Prepared by: Ericson Chen (Right of Way Engineering Team)
Photography Date: None
Project: 080120109
Energy/Resource: Energy/Resource
MWD Fee Property



 BLM Furnished ROW
 MWD Fee Property



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
GENESIS SOLAR ENERGY PROJECT**

Docket No. 09-AFC-8

**PROOF OF SERVICE
(Revised 8/5/10)**

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DECLARATION OF SERVICE

I, Maria Santourdjian, declare that on September 28, 2010, I served and filed copies of the attached MWD Letter Regarding Genesis Solar Energy Project, dated September 27, 2010. 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/genesis_solar].

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;
- by delivering on this date, for mailing with the United States Postal Service with first-class postage thereon fully prepaid, to the name and address of the person served, for mailing that same day in the ordinary course of business; that the envelope was sealed and placed for collection and mailing on that date 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-8
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, that I am employed in the county where this mailing occurred, and that I am over the age of 18 years and not a party to the proceeding.

Originally Signed by _____
Maria Santourdjian