

May 29, 2013

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**VIA EMAIL**

The Honorable Karen Douglas, Presiding Member  
The Honorable Janea Scott, Associate Member  
California Energy Commission  
1516 Ninth Street  
Sacramento, CA 95814



**Re: Bottle Rock Geothermal Project (Docket Nos. 79-AFC-4C and 12-CAI-04)  
Project Owner's Response to Staff's Issues Identification Report**

Dear Commissioners:

Pursuant to this Committee's May 16, 2013 Notice of Public Site Visit and Committee Conference ("Notice"), Project Owner Bottle Rock Power, LLC ("BRP") submits this response to Commission Staff's Issues Identification Report ("Report") for the Bottle Rock Geothermal Project (the "Project"). Staff's Report far exceeds the scope of the Petition to Amend ("Petition") and proposes a schedule that is unnecessarily long given that the Petition seeks merely to update the Conditions of Certification to more closely reflect conditions included in modern licenses. BRP is not pursuing a new or novel approach to decommissioning. Rather, BRP is proposing decommissioning conditions that are modeled after, but more arduous than, conditions set forth in other projects approved by the Commission. To that end, BRP provides the following focused response to Staff's Report and will respond more comprehensively to Staff's specific data requests as are appropriate and within the scope of the Petition.

Based on the contents set forth in BRP's Petition, Staff's Report far exceeds the scope of the Petition. BRP's approach when submitting the Petition was not intended to conduct a comprehensive planning process for decommissioning, closure and funding of the Project during the Petition proceeding. In fact, BRP was clear that the goal of the Petition was to update the existing Conditions to be consistent with expectations in modern conditions governing decommissioning, closure and related funding, which contemplates that BRP would develop a Preliminary Decommissioning Scoping Plan ("PDSP") and submit such a plan to Lake County and the Project's appointed Compliance Project Manager ("CPM") upon the Commission's approval of the Petition. Thereafter, and upon approval of the PDSP by Lake County and the Commission's CPM, BRP would submit a Decommissioning Funding Plan, which would include



May 29, 2013

Page 2

all of the cost considerations identified in Staff's Report. (See Staff's Report at p. 5.) Such an approach is consistent with how decommissioning planning is typically handled by the Commission, and allows for on-going oversight and review of the decommissioning plan and related funding throughout the life of the Project by the CPM, rather than by the Commission. This approach is memorialized in the proposed, new Conditions of Certification, which would make obsolete current conditions. (See Petition at pp. 5-9.) Through the proposed new Conditions, the CPM would ensure that the plan is sufficient to address all the issues identified in the Staff Report.

This approach is also appropriate given that decommissioning is not expected to occur for nearly 30 years. On March 14, 2013 Lake County approved a 30-year extension to the existing steam field use permit, to June 26, 2043. (Use Permit UP 85-27; UPX 12-02.) In addition, in 2010 Lake County approved a use permit for a steam field expansion, which is valid until December 22, 2040. (Use Permit UP 09-01, ¶ B.6.) The proposed new Conditions account for the long life of the Project and provide a mechanism for BRP to report to the CPM on any necessary changes to the decommissioning plan or the funding plan throughout the life of the Project. Staff's approach, based on the Report, appears to be to lock in a specific scope, extent, and related mitigation of Project decommissioning and funding, and memorialize such details in the Conditions of Certification. Such an approach does not leave sufficient flexibility to address changing conditions that are likely to occur over the remaining approximately 30 year life of the Project.

Furthermore, Staff's Proposed Schedule involves steps and components that are not necessary for a Petition to Amend that does not make any physical changes to a project nor propose any novel or unprecedented conditions. In that regard, BRP below proposes a more efficient timeframe by which the Commission can reach a decision on the Petition.



May 29, 2013

Page 3

**BRP's PROPOSED SCHEDULE<sup>1</sup>**

<b>Activity</b>	<b>Staff's Proposed Date</b>	<b>BRP's Proposed Date</b>
Site Visit and Committee Conference	05/31/2013	05/31/2013
Staff's Data Requests	06/14/2013	06/5/2013
Applicant Files Responses to Data Requests; Parties Submit Status Reports	07/15/2013	07/5/2013
Staff Assessment Filed	08/15/2013	08/5/2013
Staff Assessment Workshop	08/30/2013	None
Staff Assessment Comment Period Closes; Parties Submit Status Reports	09/03/2013	08/20/2013
Supplemental Staff Assessment (if necessary)	10/01/2013	None
Committee Hearing on Staff Assessment	10/29/2013	09/4/2013
Proposed Decision	12/03/2013	09/18/2013
Final Decision Adoption Hearing	January 2014	10/9/2013*

\* This date is a regularly scheduled Business Meeting.

Given the limited scope of the Petition, BRP does not believe certain activities are warranted as are set forth in Staff's Proposed Schedule. (See Staff's Report at p. 7). Specifically, BRP does not believe a workshop on the Staff Assessment or a Supplemental Staff Assessment need be considered as part of this proceeding's schedule. In addition, in light of the fact that the PTA was submitted almost three months ago and the engineer's estimate was submitted over a month ago, BRP sees no reason to further delay staff's issuance of data requests. Such requests could have already been issued. To that end, BRP requests the Committee take a more time sensitive approach when setting the schedule for this Petition proceeding.

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<sup>1</sup> This table does not include events that have already occurred such as the filing of the Petition and Staff's filing of the Notice of Receipt.



May 29, 2013

Page 4

In conclusion, BRP looks forward to the upcoming site visit and Committee hearing, as well as a petition process that takes all parties' concerns into consideration.

Respectfully submitted,

Kristen T. Castaños

KTC:jmw

cc: Docket No. 79-AFC-4C  
Docket No. 12-CAI-04  
Proof of Service List



**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**

**IN THE MATTER OF THE  
COMPLAINT AGAINST THE  
BOTTLE ROCK GEOTHERMAL POWER PLANT**

**Docket No. 79-AFC-4C;  
Docket No. 12-CAI-04  
PROOF OF SERVICE  
(REVISED 3/4/13)**

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provide a copy to the persons listed below.  
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Sekita Grant  
Adviser to Associate Member

Eileen Allen  
Commissioners' Technical  
Adviser for Facility Siting

### DECLARATION OF SERVICE

I, Kimberly J. Hellwig, declare that on May 29, 2013, I served and filed copies of the attached Bottle Rock Power, LLC's Project Owner's Response to Staff's Issues Identification Report dated May 29, 2013. This document is accompanied by the most recent Proof of Service, which I copied from the web page for this project at: <http://www.energy.ca.gov/sitingcases/bottlerock/index.html>.

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

**(Check one)**

**For service to all other parties and filing with the Docket Unit at the Energy Commission:**

- ☒ I e-mailed the document to all e-mail addresses on the Service List above or deposited it in the US mail with first class postage to those parties noted above as "hard copy required";

**OR**

- ☐ Instead of e-mailing the document, I personally delivered it or deposited it in the US mail with first class postage to all of the persons on the Service List for whom a mailing address is given.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that I am over the age of 18 years.

Dated: May 29, 2013



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Kimberly J. Hellwig