

CALIFORNIA ENERGY COMMISSION

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June 28, 2013

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California Energy Commission

**DOCKETED
79-AFC-4C**

TN 71454

JUN. 28 2013

RE: BOTTLE ROCK GEOTHERMAL PROJECT AMENDMENT (79-AFC-4C) DATA REQUEST SET 1 (NOS. 1-5)

Dear Mr. Harms:

The California Energy Commission (Energy Commission) staff has reviewed the Bottle Rock Power, LLC's, (BRP) Petition to Amend (PTA) and Decommissioning Cost Estimate for the Bottle Rock Geothermal Power Plant (power plant) and requires additional information to supplement the environmental analysis pursuant to Title 20, California Code of Regulations, section 1769(a)(1)(E). For the purposes of this data request the terms "closure" and "decommissioning" are synonymous.

Energy Commission staff seek the information specified in the enclosed data requests. The information requested is necessary to: 1) more fully understand the scope and costs associated with the potential closure of the power plant; 2) assess the potentially significant and difficult to mitigate impacts that could result from an early or worst case closure scenario; and 3) assess potential mitigation measures.

Staff requests data in the areas of General Conditions (No. 1), and a consolidated data request for Hazardous Materials, Waste Management, Worker Safety, Geology, Soil and Water Resources, and Biological Resources (Nos. 2-5) related to the BRP's decommissioning cost estimate. Staff requests that written response to the enclosed data requests be provided on or before July 29, 2013. Staff encourages the Applicant to submit responses sooner if possible to facilitate the schedule.

Mr. Harms, et al
June 28, 2013
Page 2

If you are unable to provide the information requested, need additional time, or object to providing the requested information, please send a written notice to both the Committee and me within 20 days of receipt of this data request. The notification should contain an explanation of why the information will not be provided and the grounds for any objections.

If you have any questions, please call me at (916) 654-3940, or email me at camille.remy-obad@energy.ca.gov.

Sincerely,

CAMILLE REMY OBAD
Compliance Project Manager

Enclosure
Data Requests

BOTTLE ROCK GEOTHERMAL PROJECT AMENDMENT (79-AFC-4C)

DATA REQUESTS SET 1

Technical Area: (General Conditions) Compliance

Authors: Camille Remy Obad

BACKGROUND: DECOMMISSIONING FINANCIAL ASSURANCES

As discussed in the California Energy Commission's April 2007 Geothermal Permitting Guide, "facility closure refers to the process to officially discontinue the use of a power plant". Licensees must go through an Energy Commission process for closure to assure that public health and safety and the environment are protected while decommissioning takes place, and for long term issues such as site stability, habitat restoration, and reclamation of the property. The extent of the site restoration and reclamation will be site specific, determined by staff and the Compliance Project Manager (CPM) on a case-by-case basis.

Staff recognizes the petitioner's proposal to submit detailed closure and site contingency plans for Compliance Project Manager's (CPM) comment and approval ninety days after the Energy Commission's final decision and adoption of the PTA. However, presently there is no discussion of how BRP, LLC will provide a readily available financial assurance mechanism to mitigate the potential impacts of an early (or "worst case") closure scenario.

DATA REQUEST

1. Please provide a detailed description of alternative financial assurance mechanisms, other than that proposed in your PTA, that would allow the Energy Commission (as the beneficiary) to access, within 30 days, the total amount of the CPM approved closure cost estimate and closure plan.

BOTTLE ROCK GEOTHERMAL PROJECT AMENDMENT (79-AFC-4C)

DATA REQUESTS SET 1

Technical Areas: Hazardous Materials, Waste Management, Worker Safety, Geology, Soil and Water Resources, Biological Resources

Authors: Paul Marshall; Marylou Taylor, Ed Brady, Casey Weaver; and AmyGolden

BACKGROUND

On April 15, 2013 Bottle Rock Power submitted the Bottle Rock Power Plant Decommissioning Estimate prepared by Plant Reclamation. Staff's preliminary review of the decommissioning estimate evaluated its adequacy to fund a closure with respect to proper disposal of hazardous and non-hazardous waste, worker safety, geological hazards, and protecting soil and water resources. This was done by reviewing of scope identified activities included in the estimate. Staff did not evaluate the individual costs of each activity.

Staff made the following assumptions:

- Staff only considers the project footprint to include elements within the fence line, including the switchyard where the transformers are located (point of interconnection).
- Closure could occur anytime between now and the next 3 years.
- Closure is considered demolition and removal of everything except for the turbine generator plant building, water treatment and storage building, and perimeter access roads (which would require ongoing cost of maintenance and security, until an alternative use is implemented).
- The scope of near term closure must be sufficient to ensure there would be no environmental harm.

Staff believes that the decommissioning estimate of \$1,875,000 dated April 15, 2013 may not adequately fund a closure in the near term. Page 2 of the estimate lists a number of assumptions identified when developing the estimate. The list includes items that are not incorporated into the cost estimate, because specific activities would be the responsibility of the project owner rather than the reclamation contractor. In addition, anticipated salvage values have been adequately verified.

DATA REQUEST

2. Please update the decommissioning estimate to include the following items which are necessary to ensure potential environmental impacts can be mitigated:
 - Include all hazardous waste testing, sampling, profiling, transportation and disposal costs

- Costs for grading, re-surfacing, and stabilization of exposed site soils (only backfill of pits, voids and basins was included in the estimate)
 - Costs for non-hazardous waste transportation and disposal offsite
 - Costs to remove all building utilities unrelated to the buildings that will remain (such as electrical and fire protection)
 - Costs for permits and authorizations, such as modification of the Storm Water Pollution Prevention Plan (SWPPP), Section 401 Water Quality Certification and Regional Board Waste Discharge Requirements, and California Department of Fish and Wildlife Section 1600 Streambed Alteration Agreement (only California Occupational Health and Safety Administration (CalOSHA) and Air Quality permits were included in the estimate)
 - Costs to remove the transformers
 - Costs to remove underground equipment (pipes, valves, etc) within the fence line that are not associated with maintenance and future use of the buildings and access roads
 - Costs to maintain stormwater drains within the fence line
 - Costs to install or enhance erosion control measures (jute netting, straw waddles, etc) along southern and western fence line to control intermittent drainage¹
 - Costs to perform pre-demolition biological surveys, presence of an approved biological monitor, and any other measures to avoid or minimize the potential for impacts to nesting or foraging wildlife or offsite rare plant occurrences (such as dust abatement) during demolition activities.
 - Costs for maintenance and security of the facility
3. If salvage value for metal waste is to be considered, the net value must be calculated after including the cost for loading and transportation costs.
 4. If the salvage value of the turbine generator equipment is to be included, an independent cost estimate from a salvage company qualified to assess the value should be provided.

BACKGROUND

In the heavily redacted version of the “Amended and Restated Geothermal Lease and Agreement” dated July 25, 2012 between V.V.J. Coleman, LLC and Bottle Rock Power, LLC., item 8, Security; Damages Resulting From Lessee’s Operations is completely obscured. While it is unknown what was redacted from that section, any “damages resulting from lessee’s operation” on the physical setting of the site could have financial implications on the restoration of that site. While demolition of above ground and below

¹ The Geysers 7.5-minute USGS topographic map identifies this feature as an intermittent drainage that is tributary to High Valley Creek. This drainage is identified as Cow Creek in various Bottle Rock environmental documents.

ground structures and subsequent site rehabilitation can be estimated, costs for restoration of unknown “damages” is impossible. It is important that any damages known by the owner be disclosed if they have an impact on the cost for site restoration.

DATA REQUEST

5. Please provide a description of the damages contained in item 8 indicated above. If the damages physically affect the site, please identify the nature, importance, volume and threat to the environment/personnel that would be exposed to the damage in the course of site restoration.



**BEFORE THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT
COMMISSION OF THE STATE OF CALIFORNIA
1516 NINTH STREET, SACRAMENTO, CA 95814
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***BOTTLE ROCK GEOTHERMAL
POWER PLANT AMENDMENT***

**DOCKET No. 79-AFC-04C
PROOF OF SERVICE
(REVISED 06/17/2013)**

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12-CAI-04)**

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COMMISSION DOCKET UNIT

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**OTHER ENERGY COMMISSION
PARTICIPANTS (LISTED FOR
CONVENIENCE ONLY):**

***After docketing, the Docket Unit
will provide a copy to the persons
listed below. Do not send copies
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Commissioner and Presiding
Member

JANEA SCOTT
Commissioner and Associate
Member

Paul Kramer
Chief Hearing Adviser

Galen Lemei
Adviser to Presiding Member

Jennifer Nelson
Adviser to Presiding Member

Jim Bartridge
Adviser to Associate Member

Eileen Allen
Commissioners' Technical
Adviser for Facility Siting

DECLARATION OF SERVICE

I, Camille Remy Obad, declare that on June 28, 2013, I served and filed copies of the attached Bottle Rock Geothermal Project Amendment (79-AFC-4C) Data Request Set 1 (Nos. 1-5) dated June 28, 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/>.

The document has been sent to the other persons on the Service List above in the following manner:

(Check one)

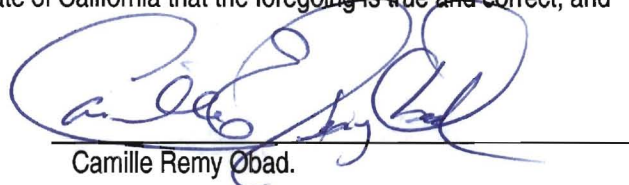
For service to all other parties and filing with the Docket Unit at the Energy Commission:

X I e-mailed the document to all e-mail addresses on the Service List above and personally delivered it or deposited it in the US mail with first class postage to those persons 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: 6/28/13
6-28-2013


Camille Remy Obad.