Briefing Outline for
Siting Committee Presentation

BLYTHE ENERGY PROJECT PHASE II
START OF CONSTRUCTION EXTENSION
(02-AFC-1C)

Contact: Christina Snow 651-3770

Time Needed: 10 minutes

Action Requested of Siting Committee: This is an informational item for approval/denial.

Business Meeting Date: December 1, 2010

Background:
In February of 2002, Caithness Blythe II, LLC (Caithness) filed an application for certification (AFC) with the California Energy Commission for a nominal 520 megawatt (MW) combined cycle project located in Blythe, California. Caithness was granted a license to construct and operate the BEP II on December 14, 2005.

On October 23, 2009 Caithness filed a petition to amend the Blythe Energy Project, Phase II (BEP II) which is still being analyzed by staff. The amendment proposes to revise the point of interconnection from the Buck Boulevard Substation to the Keim Station, replace the two permitted turbines, incorporate fast-start technology including incorporation of an auxiliary boiler, add a 1,020 square foot cooling tower, revise the general arrangement of the plant and extend of the deadline for commencement of construction to December 14, 2013.

On January 4, 2010, Caithness Blythe II, LLC (Caithness) filed a petition to modify its petition to amend the Blythe Energy Project, Phase II (BEP II).

Staff has not completed analysis of the submitted amendment and is still in the process of obtaining additional information from the applicant. Due to the current status, a separate extension request for the commencement of construction was submitted on October 29, 2010 to avoid the expiration of the current license. This extension requests to extend the current December 14, 2010 deadline for construction to December 14, 2011so that staff can complete their analysis of the current amendment.

The petition to extend was received, docketed, posted on the web and mailed to the post-certification mail list on October 29, 2010. A letter to interested parties and staff analysis was docketed and posted on the web on November 1, 2010.

Justification for Action Requested: In light of the fact that staff has spent a considerable amount of time analyzing the amendment that is in process, the extension is necessary to complete this analysis and make a recommendation.

Staff is currently waiting for additional information from the applicant and the extension will allow the applicant sufficient time to submit the requested information.

In addition, the applicant has provided information that indicates that they have been working diligently with the California System Operator (CAISO), Southern California Edison (SCE), and other stakeholders to perfect the BEP II interconnection to the electrical grid including an interconnection request, a System Impact Study (SIS) and a Feasibility Study.

What Happens Next: If the Energy Commission approves the extension, staff can continue to analyze the current amendment and work with the applicant to obtain all the necessary information to make a final determination and recommendation to the Energy Commission. Should the extension not be granted, the applicant's AFC will expire and they will need to submit a new AFC for review and possible approval.