

# Memorandum

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**To :** William J. Keese, Presiding Member  
Robert A. Laurie, Associate Member

**From :** California Energy Commission - Lance Shaw  
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**Subject :** BLYTHE ENERGY PROJECT (99-AFC-8)  
STATUS CONFERENCE

The primary purpose of this memorandum is to discuss the timetable for obtaining information required to complete Staff's analyses so that the Committee can decide on a schedule for the remainder of the Blythe Energy Project proceeding. Since the last status report on September 5, 2000, the Energy Commission and Western Area Power Administration (Western) staffs have conducted a Preliminary Staff Assessment (PSA)/ Draft Environmental Assessment (EA) workshop over a period of three days.

## **Update of Issues Schedule Staff can meet to prepare FSA/EA**

The PSA/ Draft EA was issued on September 1, 2000. The following are areas in which there are unresolved issues:

- Air Quality
- Land Use
- Soil and Water
- Traffic and Transportation
- Biological Resources
- Transmission System Engineering

## **AIR QUALITY**

Staff stated that unless further information is presented, the applicant's analysis of the ambient ozone levels in the Blythe area is sufficient. Staff thus believes that there are no ozone violations in the Blythe area.

Blythe Energy will be unable to use its currently identified volatile organic compounds (VOC) emission reduction credits (ERC) without South Coast Air Quality Management District (SCAQMD) Board approval. Staff's discussions with SCAQMD personnel indicate that the South Coast Board will probably discuss the issue in its meeting scheduled on Friday, November 17<sup>th</sup>, 2000. Mojave Desert Air Quality Management District (MDAQMD) does not plan to issue a Final Determination of Compliance (FDOC) until either the South Coast Board approves the current ERC package, or a valid ERC package is presented. Staff will not issue the Air Quality section of the FSA without both a complete ERC package and an FDOC.

The Applicant has recently provided Staff with additional data regarding construction impacts, sulfur oxide (SOx) fumigation modeling, impact modeling, and estimated operational emissions. Staff is reviewing the information and needs no further submittals at this time.

## **SOIL AND WATER**

Staff needs to see an analysis of the potential impact of pumping drawdown on existing, active wells that are near to the proposed project well site. Staff defined "nearby" as wells within a one-mile radius of the project well site. Staff defined active wells as wells that are currently being used for water supply or are still in service. It also includes those, which have been used in recent years or are likely to be used in the future.

The analysis should be based on known aquifer conditions. Staff explained that it is looking for a straightforward, basic analysis of well interference. Staff also requests that the applicant base the drawdown analysis on the known aquifer and well conditions. For example, it appears that the aquifer is unconfined and is approximately 500 feet in depth. Additionally, the perforation interval of the well and the penetration depth of the well should also be considered.

The requirements of the water conservation offset program (WCOP) is one of the U.S. Bureau of Reclamation's (USBR) laws, ordinances, regulations, and standards (LORS). Staff believes that the USBR letter of 8/9/00 defines the jurisdictional issues with regard to the groundwater to be used for the project.

Regarding cumulative impacts, the WCOP will be made a condition of certification, and must be in place prior to the start of operation and maintained for the life of the project.

Regarding conditions of certification, staff will review the crop and water use history of the lands to be fallowed to ensure that the same amount of water consumed by the project will be offset by the WCOP.

## **LAND USE**

The WCOP impacts land use concerns. The annexation by the City of Blythe of lands, including the proposed plant site, will not be finalized until approximately November 10. (The public protest hearing will be held on October 10, 2000. The outcome of this hearing will be known on that date or very soon afterward.) Staff is hesitant to make changes in its FSA/ Draft EA to the section dealing with plans, policies, and zoning regulations of the County's vs. City's until the annexation hearing is completed. The plant's proposed site would be in the City if the annexation goes through. However, the pipeline will go through both the County and City.

If/when a WCOP is provided, staff will want assurance that the program can be verified. Until the WCOP is identified, staff cannot address whether the program will adversely affect existing land uses. Impacts to agriculture and potential growth inducement, indirect or cumulative are land use issues which staff must address.

It appears at this time that the applicant, staff, PVID, and USBR have different expectations of the WCOP. Staff expects the WCOP to "conserve" the same amount of water that will be consumed by the project. It appears that for PVID, the WCOP is intended to provide a method of showing the USBR that its allotment of Colorado River water is not being reduced by the power plant's water use. PVID doesn't appear to be concerned about actual water conservation, as long as it can continue to draw water from the Colorado River. It is unknown at this time if the water rights holders junior to PVID (Imperial Irrigation District, Coachella Valley Irrigation District, MWD, and others) are concerned about any potential adverse impacts to their water allotment related to the WCOP, since it is staff's understanding that they have not received, reviewed, or commented on the WCOP (neither has CEC staff). The WCOP appears to be more of a Water Accounting Program than a Conservation Program. Therefore, if owners of "retired" lands put in wells in order to develop non-agricultural uses, which consume water, no apparent or real water conservation will occur.

PVID doesn't agree that groundwater which is proposed to be used by the Blythe Energy Project (BEP) is Colorado River water anyway, and feels that the water pumped won't be counted against it by USBR (under the current scheme). USBR may start accounting for this "unregulated" water use in the near future but staff is not sure that this use would be counted against PVID's allotment.

Part of staff's difficulties in actually demonstrating water conservation is that there are significant amounts of land on the Mesa that could be irrigated but are presently lying fallow. There are no apparent restrictions on the owners installing irrigation and putting in orchards on these lands. If the Energy Commission is concerned about actual water conservation, then it appears there would need to be some regulation or control of any subsequent use of the retired lands during the life of the Power Plant. It appears that water wells could be drilled on retired lands to serve non-agricultural uses, and that this water use would not be regulated by the WCOP. However, the applicant feels that the use of the lands, while they are retired, is not its responsibility, as long as the lands are not in irrigated agricultural use. If these lands were put to other uses, the uses would be subject to the normal planning and permitting process. Impacts resulting from non-agricultural uses would be addressed by the Riverside County (or by the City of Blythe) planning regulations.

During the PSA workshops, the applicant made it clear that it is speculative to address possible future land use, and to saddle BEP with the responsibility for mitigation for potential impacts or with monitoring the use of these lands which it feels is unreasonable.

There are some uses that do not require any permitting other than a building permit for many of the lands on the Mesa. Dwelling units (DU) are allowed on lots of 20,000 square feet or larger in the A-2 and W-2 zones (Riverside County). This is about 2 DU per acre. This appears not to be a problem if a dwelling unit were placed on a 10-acre site, for instance. A parcel map or land division would have to be approved to put in a number of dwellings on a 10-acre property, for example. There are large areas of the Mesa with these zoning designations. This could be growth inducing.

Staff does not know how a restriction on the site could be applied to prevent a land division while it is in the WCOP. There is apparently (staff has not received or reviewed the WCOP) nothing in the WCOP that would require that Riverside County be notified that there are any restrictions on the retired lands or any requirement that deed restrictions be recorded. The WCOP is not a zoning regulation and enforceable by the County. Therefore, a building permit could be issued on retired lands and possibly parcel maps or subdivisions could be approved, subject to CEQA review and County zoning regulations. Staff does not know if it would accomplish anything to put in a Condition of Certification (COC) that would impose some restriction on uses of the retired lands while they are in the program. This may not be enforceable.

Staff consulted with Tim Taylor of the Riverside County Health Department about well permitting procedures. The County issues well permits without consideration of zoning. It only looks at setbacks for sanitary hazards (septic tanks, underground storage tanks). At this time it appears that the most practical condition is to require the BEP to purchase (acquire as stated in the language provided) the lands for the WCOP. Then there would be no problems with controlling uses of the land during the program.

## **TRAFFIC AND TRANSPORTATION**

Staff has discussed the status of the airport at present and the potential changes envisioned for the airport. The City has withdrawn its expansion plans. The traffic and transportation analysis overlaps to some degree with land use issues.

The major unresolved issue for the traffic and transportation analysis centers around the Blythe airport. The discussion at the PSA/ Draft EA workshop concerned the applicant's statement that everything is being worked between the City of Blythe, Caltrans, and the Riverside County Airport Land Use Commission (RCALUC). The next commission meeting scheduled for RCALUC is on October 19. The commission plans to consider again and vote on whether the plant's development in its influence zone is consistent with the purposes of the RCALUC statutes.

## **BIOLOGY**

The loss of desert tortoise habitat has been discussed. Mitigation measures have been discussed between U. S. Fish and Wildlife Services (USFW), California Dept. of Fish and Game (CDFG), Western, and CEC staff. The loss of the 76-acre site and 1.25 acres from the gas pipeline route are considered to be a loss of low quality desert tortoise habitat. As a result, staff is recommending that the 77.25 acres be compensated at a 1:1 ratio including cost per acre plus and an endowment. General estimates of cost are \$500/acre for land purchase, and \$1200/acre endowment, for about \$1700/acre. This equals \$131,325. This should adequately mitigate direct, indirect, and cumulative desert tortoise losses for the project. The exact costs are not determined yet. The applicant will submit its proposal for protecting desert tortoises during construction of the power plant facility and gas pipeline. The proposal should be received on staff on or before October 10, 2000.

The applicant will assume that milkvetch inhabits the power plant site and will mitigate for it's loss. (The alternative is to wait until February and see if it appears on the site.) The mitigation is yet to be determined in consultation with CDFG and USFWS. Examples of similar mitigation measures would be providing funds to a nursery (s) specializing in native seed collection, propagation, and planting, or to require the applicant to implement a program for planting of the milkvetch in appropriate areas.

The water quality in the evaporation ponds will be monitored monthly for three years following the start of operation. The chemical constituents in the discharged plant water will have to be identified as to their concentrations.

Invertebrates from the evaporation ponds will be collected monthly for three years following the start of operation and preserved in an ethanol/water mixture and refrigerated for potential future tissue analysis. Appropriate labels will be used.

Live bird variable point counts will be conducted for three years following the start of operation, at the evaporation ponds. The species, numbers and behavior will be recorded along with dates and some weather information. These counts will be conducted two days each month (one day every two weeks) for 10 minutes each hour from sunrise to sunset for three years following operation.

Dead bird searches will be conducted within 20 meters of the ponds' edges and within the ponds five mornings each week during early morning hours, by plant personnel, for three years following operation. Dead birds will be placed in plastic ziplock bags with information such as finder, date, and notes, and placed in a freezer for future identification and possible tissue analysis/necropsy.

Following the three years of monitoring a decision to continue, stop, or mitigate a discovered problem will be made.

At this time, Western staff has not submitted an acceptable biological assessment (BA). When USFWS receives the BA, it has 135 days in which to issue a biological opinion.

## **TRANSMISSION SYSTEM ENGINEERING**

The applicant provided comments to staff during the PSA/Draft EA workshop (later docketed by staff) clarifying that the project's ownership of the electrical interconnection facilities will end at the high side of the generator step-up transformers. Western Area Power Administration (Western) will own and operate the electrical interconnection facilities beyond this point.

The written comments identified the project-related criteria violations, and the proposed mitigation measures to alleviate the violations. The applicant clarified that the comments are based on input provided by Western. The applicant advised (again) that staff contact Western's transmission planning staff to clear up any questions, and then have Western's transmission planning staff (working on the applicant's behalf) docket the comments. Staff has not completed its review of the information, however, believes that it has sufficient information for preparation of its FSA/ EA. Specifically, staff believes that the applicant has identified the transmission system assets impacted by the project, and for each impacted transmission asset, identified a proposed mitigation measure.

The applicant updated staff on the status of its activities and dialogs with the two transmission owners with facilities adjacent to Western's Desert Southwest system. According to the applicant, Imperial Irrigation District has completed its own independent transmission study to assess the project's impact to its system, and has provided input to the applicant via letter. Southern California Edison has reviewed Western's transmission study for the project, and has begun its own independent analysis. At this time staff has not received either report from the neighboring transmission owners.

During dialog on transmission systems engineering, the project manager asked the applicant about the Griffiths power plant being constructed in Arizona plant (mentioned in the application for certification (AFC)), and one started by the original project owner (Summit Energy). The question was, "What is the size of the Griffiths plant, I thought it was the identical plant with BEP. The response was, "It was." "However, it is now 620 megawatts (MW), we added duct firing." The applicant further stated that it intends to do the same to BEP.

At this time, staff believes that all areas of the FSA/ EA can be filed on October 27, 2000, except for Air Quality. The Air Quality FSA/ EA section can be filed three weeks after receipt of the final determination of compliance (FDOC) from MDAQMD.