

# Memorandum

**Date:** January 30, 2001  
**Telephone:** ATSS (916) 653-1227  
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**To :** William J. Keese, Presiding Member  
Robert A. Laurie, Associate Member

**From :** California Energy Commission - Lance Shaw  
1516 Ninth Street Energy Commission Project Manager  
Sacramento, CA 95814-5512

**Subject :** BLYTHE ENERGY PROJECT (99-AFC-8)  
STATUS REPORT #8

Since the last status report (on January 10, 2001), I attended a public meeting sponsored by the applicant for the citizens of Blythe and Mesa Verde on January 18, 2001. Three handouts describing the project were given to people as they entered the meeting. I have had them docketed.

The tenor of the meeting was one of clarifying and correcting information regarding the project. The meeting focused on benefits to the City of Blythe, the community of Mesa Verde, and the local citizens. Mr. Nick Chevance of Western Area Power Administration (Western) also attended.

Approximately 70 people attended the meeting; not including those identified with the project. Mr. Bob Looper was the primary presenter with Mr. Jeff Harvey supporting. The audience was asked in Spanish and in English if translation were necessary. One gentleman raised his hand for Spanish translation.

Mr. Looper mentioned that the Blythe Energy Project's new owner is Caithness Energy, LLC. He also noted that a new party to the project, IGI Resources/ BP is supporting Caithness in the management of gas supply, transmission, gas storage, and support of electrical marketing activities. Mr. Looper described the proposed project and gave reasons why the proposed plant site was chosen. There were renderings on the walls (and in the handout materials) of the completed plant.

Some of the areas discussed in the meeting are described briefly.

**Plant and Pipelines' Designs:** Mr. Looper described how the plant converts natural gas into electrical energy. The pipeline construction was described and Mr. Tom Reed of Marmac Engineering was introduced. Marmac is the company selected by the applicant to design and install the two connecting pipelines. The pipeline from Ehrenberg, AZ was presented as a 20-inch line. (It had been described previously as a 16-inch line.)

**Air Emissions:** The applicant stated that the plant would use ammonia (such as is used throughout the Palo Verde valley in agricultural applications) as the reducing agent in the selective catalytic reduction (SCR) process within the exhaust stacks. The resulting emissions were described such that they would meet best available control technology (BACT) requirements. The project has purchased the (air emission

reduction) offset credits, which are required by Mojave Desert Air Quality Management District.

**Local Improvements:** Mr. Looper stated in his presentation that the project has obligated itself by \$1.3 million for City of Blythe infrastructure improvements. Additional infrastructure improvements include paving road segments in the City and County to improve local transportation, reduce dust particles generated, and to offset PM 10 (particulate matter less than 10 microns in diameter) emissions. Buck Boulevard has been paved for this mitigation.

**Land Use/ Environment:** The proposed plant site, annexed as part of the City of Blythe, is consistent with zoning ordinances, general plan requirements, and with land use designations. The applicant stated that the project would have no impacts on local farm labor. Mr. Looper stated that in order to help ensure that area agriculture remains strong, that Blythe Energy had entered into a written agreement to place \$225,000 into a private agricultural development fund to enhance, develop, and maintain agricultural operations in the Blythe area. (The payment into the fund is contingent on the development of the project.)

Furthermore the applicant stated that Blythe Energy had made a commitment to Joshua Tree National Park Service to fund the purchase of equipment to facilitate the use of natural gas in service vehicles operated by the Park Service.

**Employment Opportunities:** This is an area where the applicant gave considerable attention. Three union representatives in the audience were introduced. Mr. Bob Looper briefly described the kinds of skills which would be required to obtain employment on the project. Mr. Quenton Hanson from the Palo Verde Community College addressed the need of prospective job applicants to gain knowledge and proficiency in math, English language fluency, and the ability to weld. Mr. Hanson held up registration forms so that those who were interested could take the registration forms and enroll in classes.

Mr. Looper further stated that the project is working with labor organizations to develop an outreach program to maximize employment opportunities for qualified local citizens. In addition, the project plans to work with the community to provide local learning centers which would provide on-going education for plant operations' personnel for personal growth and advancement opportunities.

**Local Economic Impacts:** Mr. Looper mentioned that many goods and services would be required by the workers during the plant's construction. The plant will provide approximately \$2 million dollars annually in property taxes, split 75%/ 25% between Riverside County and the City of Blythe respectively. The citizens were exhorted to become involved in the local and county politics to assure that the funds were

appropriately allocated within the Palo Verde Valley. Mr. Looper stated that once the plant was in operation, many of the needed services would be contracted out locally.

Mr. Looper stated that Blythe Energy would work with the communities to help attract new businesses, which would create more new local job opportunities.

**Mesa Verde Benefits:** Mr. Looper stated in his presentation that the City of Blythe and Riverside County are working cooperatively to address water quality concerns for the Mesa Verde area. The effort was described as a two-phase process. The first phase involves getting fire-fighting water to the community. He stated that this could eliminate the need to ever use the community's original well (drilled in 1954). Phase II involves the City of Blythe providing water to Mesa Verde. According to Mr. Looper's presentation, property taxes from the BEP project would provide sufficient funds to bring about these needed infrastructure improvements.

During question and answer time, someone asked where the power generated by the plant would go. Mr. Looper said that power will be carried out of the project area by Western's transmission system, however, some of the power may flow on Southern California Edison's (SCE) and Imperial Irrigation District's (IID) power lines. However, power would not be immediately and directly available to the City of Blythe. Mr. Les Nelson, City Manager spoke briefly about a memorandum of understanding with the project that may allow the City to utilize some of the power from the project to increase area development.

Nick and I spent time talking with a number of people after the meeting. Nick learned that the meeting had been announced in the local newspaper several times in the last two weeks, and possibly on a local radio station. In addition, Mr. Rob Holt, consultant to the project, said that he had people distribute flyers, announcing the meeting, on the doors of residences in Mesa Verde. We discussed the meeting in some detail and believe that the meeting was well announced, informative, and well attended. We agreed that given the noticing of this meeting, along with all the other meetings in connection with the project, there is really no point for Western or the CEC to try to duplicate this effort. Western will take comments from all parties and could decide to hold a meeting if the situation warrants. Based upon the attendance at this meeting and the effort to date, there does not appear to be a need for further meetings with the local community.

cc: Blythe Energy Project Proof of Service list