

## Section 1 INTRODUCTION

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### 1.1 BACKGROUND

Palo Verde Solar I, LLC, is a wholly-owned subsidiary of STA Development LLC (PVSI) and is the current owner of the California Energy Commission (Commission or CEC) Final Decision issued for the Blythe Solar Power Project (BSPP). On April 2, 2012 PVSI filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware ( Bankruptcy Court) captioned *In re Solar Trust of America, LLC, et al.*, Case No. 12-11136 (KG). On June 21, 2012 pursuant to the Bankruptcy Court approved auction procedures, NextEra Blythe Solar Energy Center, LLC (NextEra Blythe), a wholly owned subsidiary of NextEra Energy Resources, was selected as the highest bidder for the BSPP. Subject to the satisfaction of closing conditions and approval of the Bankruptcy Court, NextEra Blythe will be the owner of the BSPP. NextEra Blythe filed a Petition For Ownership with the Commission on June 25, 2012. When the acquisition of the BSPP is complete, the Bankruptcy Court approves the acquisition and the Commission has approved the Petition For Ownership transfer, then NextEra Blythe will be the project applicant instead of PVSI and NextEra Blythe will effectively own or have control over all the PVSI Project assets. For purposes of this Petition, however, the owner of the BSPP will continue to be referred to as PVSI.

PVSI files this Petition For Amendment to convert the electrical generating technology from concentrating solar thermal collection (CSP) and steam turbine technology of the BSPP to photovoltaic solar technology (PV). The BSPP is located at 10000 Dracker Drive, Blythe, CA 92225 in Riverside, California, on land administered by the Bureau of Land Management (BLM). A small portion of the project may be located on private land, but most of the project will be located within the boundaries of the previously issued ROW Grant (CACA 048811). The proposed project site is located 8 miles west of Blythe, California and 3 miles north of Highway I-10. Current access to the site is from Exit #232, Airport/Mesa Drive on I-10 via Mesa Drive Road. The BSPP site is located within the Palo Verde Area Plan of Riverside County.

PVSI submitted an Application for Certification (AFC) for the BSPP to the Commission on August 24, 2009 (09-AFC-6). In 2008, PVSI's predecessor-in-interest filed a 299 Right of Way Grant (ROW) Application with the BLM to develop the BSPP on public lands. Consistent with a Memorandum of Understanding between the BLM and the CEC, the agencies prepared a joint environmental compliance document to address the requirements of the National Environmental Policy Act (NEPA) and the California Environmental Quality Act (CEQA) for BSPP. Specifically, a Staff Assessment/Draft Environmental Impact Statement (SA/DEIS) was prepared and was circulated for

agency and public review and comment between March 19, 2010, and June 17, 2010. The BLM and the CEC prepared separate final documents for compliance with NEPA and CEQA, respectively. The CEC issued its Final Decision on September 15, 2010. The BLM published the Plan Amendment/Record of Decision (PA/ROD) on October 22, 2010 and issued the ROW Grant on November 4, 2010.

The Final Decision allowed the BSPP to be constructed in Phases. PVSI obtained a Notice To Proceed for construction of Phase 1A of the BSPP on November 4, 2010 and immediately began construction. PVSI continued construction of portions of Phase 1A until August 2011. On August 25, 2011, PVSI sent a letter to the Commission and to BLM outlining that it would cease construction activities on BSPP site and would seek to amend the ROW Grant and the Final Decision to allow construction and operation of PV technology on the site. This letter outlined maintenance activities that would continue on site to ensure site security and prevent off-site environmental impacts. The BLM and Commission approved a maintenance plan and associated activities on September 8, 2011. PVSI has been maintaining the site in accordance with this maintenance plan to date.

## **1.2 ORGANIZATION OF THIS PETITION**

This Section provides an Introduction to the Project; discusses the authority for the Commission to exercise jurisdiction over this Petition; outlines the purpose of need of the Petition; and outlines the benefits from the BSPP after modification.

Section 2 of the Petition describes the modifications proposed to convert the BSPP to PV technology as well as the modifications to the project footprint.

Sections 3, 4, 5 and 6 contain analysis of the proposed modifications comparing the potential environmental impacts from the modified PV configuration to the potential environmental impacts of the original project as approved in the Commission Final Decision. These Sections also include an update of laws, ordinances, regulations or standards applicable to the PV configuration where applicable. Where appropriate each technical section proposes modifications to the Conditions of Certification contained in the Commission Final Decision.

Section 7 discusses any potential effects on nearby property owners.

Section 8 contains conclusions and recommended findings for Commission consideration.

### **1.3 LEGISLATIVE CHANGES TO COMMISSION JURISDICTION**

On October 4, 2011, the Legislature passed and the Governor signed into law SB 226 (Simitian). SB 226 added Section 25500.1 to the Public Resources Code which authorized the Commission to review and amend a License for a solar thermal power plant to use of PV technology. Section 25500.1 applied to projects that met certain requirements. The BSPP meets all of the requirements of Section 2550.1. In accordance with Section (d) of Section 25500.1, the commission shall process a petition submitted under this section pursuant to Section 1769 of Title 20 of the California Code of Regulations.

### **1.4 PURPOSE AND NEED FOR AMENDMENT**

PVSI originally proposed the use of concentrating solar technology for the BSPP site. At the time, PVSI was owned by Solar Millennium AG that had the rights to a particular type of helio-trough design that it was attempting to develop in the United States. Well after the Commission issued its Final Decision in 2010, Solar Millennium AG filed insolvency proceedings in Germany. As discussed in Section 1.1 above, the BSPP is currently being acquired by NextEra Blythe. NextEra Blythe desires to convert the solar generation technology from CSP to PV. This information was not known or anticipated at the time the Commission issued its Final Decision.

### **1.5 PROJECT AMENDMENT BENEFITS**

The BSPP site has received a Commission Final Decision and a BLM ROW Grant. The Amendments proposed in this Petition provide an opportunity to deliver up to 1000 MW of renewable power to Californians without the need to permit a new site. In addition, as described in this Petition the use of PV technology reduces the visibility of project by removing four power blocks and associated 120 foot tall cooling towers, reducing the overall height of the solar collectors by approximately 15 feet, and removing Heat Transfer Fluid from the system. The use of a previously permitted site as reconfigured to further lessen environmental impacts with an approved Large Generator Interconnection Agreement is a responsible approach to helping California achieve its Renewable Portfolio Standards and beyond.

### **1.6 SCOPE OF ANALYSIS**

Pursuant to PRC Section 25500.1, the Commission should process this Petition in accordance with Section 1769 of its regulations and the well-established principles of practice the Commission has followed when processing other petitions. This Petition has been prepared in accordance with those principles, focusing on comparing the

modifications proposed herein to the original project as described in the Commission Final Decision.

## **1.7 UPDATES TO THE PROJECT'S CUMULATIVE SCENARIO**

A Cumulative Scenario for the Project was established during Staff's assessment of the BSPP and ultimately incorporated in the Final Commission Decision and included a list of existing and future foreseeable projects in the vicinity of the Project. As part of this Amendment effort, a search was performed for new reasonably foreseeable future projects with the potential to increase the cumulative impacts described in the Commission Decision. It should be noted that the Area of Potential Effect varies among resource areas and, as such, no standardized area was analyzed. A search of Riverside County and City of Blythe available permit filings has not revealed any additional projects that were not already included in the original Cumulative Impact analysis included in the BSPP Final Decision.