

CALIFORNIA ENERGY COMMISSION1516 NINTH STREET
SACRAMENTO, CA 95814-5512

February 28, 2011

Gary L. Hickey
Project Manager
Blythe Energy, LLC
1152 Greenbrier Drive
Forsyth, IL 62535

**SUBJECT: BLYTHE ENERGY PROJECT TRANSMISSION LINE MODIFICATIONS
(99-AFC-8C) APPROVAL OF REQUEST FOR STAFF APPROVED
PROJECT MODIFICATIONS No. 6**

Dear Mr. Hickey:

On November 12, 2010, the California Energy Commission (Energy Commission) received a request for Staff Approved Project Modifications to the Blythe Energy Project Transmission Line Modifications (BEPTL) project from Blythe Energy, LLC (Blythe Energy). The proposed changes include the construction of the gas-insulated substation (GIS) that was initially petitioned for and approved in 2007. As part of the proposed modifications, the current connection to the Buck Substation will be removed. One new 230kV underground circuit and two new 230kV overhead circuits will be installed from the existing GSU transformers over to the new proposed 230kV gas-insulated switchyard that will be located on the south side of the Buck Substation in an already disturbed/graveled area.

PROJECT HISTORY

The original Blythe Energy Project (BEP) was licensed by the Energy Commission on March 21, 2001 and started commercial operation in December of 2003. The BEPTL project was certified on October 11, 2006, amending the Energy Commission Decision and modifying the generation facility to develop two new transmission lines and a substation for the existing BEP located in the City of Blythe, Riverside County.

The Application for Certification was reviewed by Energy Commission staff and WAPA, the lead Federal agency. The subsequent major amendment (BEPTL) review was conducted by Energy Commission staff, Bureau of Land Management (BLM), and WAPA. BLM and WAPA acted as co-lead federal agency participants in the amendment review process and for National Environmental Policy Act (NEPA) compliance. The two federal agencies, the BLM and WAPA, had control over portions of the existing BEP transmission system and a portion of the proposed right-of-way for the transmission lines. The Energy Commission and BLM were notified in February 2008 that WAPA would no longer be a participant in the BEPTL Project. With this change, WAPA no longer has an action to address under NEPA, or any other involvement with the proposed project.

An initial request for staff approved project modifications (SAPM), requesting a minor route realignment and relocated connection for the BEPTL, was approved on July 17, 2007. A second request for SAPM, requesting changes that included the realignment of a number of transmission poles, a change in the location of the easternmost and westernmost laydown yards, and a request to change the approved two-conductor bundle configuration to a three-conductor bundle configuration was approved on September 25, 2008. A third request for a SAPM for a change in structure support for 17 structures by adding guy wires to safely support the conductor load; expansion of the Desert Center and Julian Hinds laydown yards; and minor communication system changes in the Southern California Edison (SCE) system at the Blythe Energy Power Plant, Julian Hinds Substation, and the California Capacitor Station was approved on January 27, 2009. In June 2009, a fourth request for SAPM for the replacement of up to 34 single-circuit poles already installed during construction with double-circuit-ready poles and changes to the SCE Blythe-Eagle Mountain transmission line which are designed to accommodate the BEPTL crossings was approved on July 14, 2009. On February 17, 2010, a fifth request for SAPM request for the completion of the connection between the Blythe Energy Project and the BEPTL, by converting Western Area Power Administration's (WAPA) Buck Blvd Substation from its current 161-kV operating voltage to 230-kV, was approved.

AGENCY AUTHORITY

Since this current SAPM request is entirely within the existing Blythe Energy Center facility boundary, the BLM was not involved with the approval of this request. The Energy Commission is the lead agency for the purpose of California Environmental Quality Act (CEQA) compliance. The Energy Commission's petition review process includes an evaluation of the consistency of the proposed changes with the Energy Commission's Decision and if the project, as changed, will remain in compliance with applicable laws, ordinances, regulations, and standards (Title 20, Calif. Code of Regulations, section 1769).

Energy Commission staff mailed the enclosed "Notice of Receipt of this Request for Staff Approved Project Modifications" to the Energy Commission's post-certification project mailing list on December 3, 2010. Energy Commission staff did not receive any public comments regarding this requested project change within the 14-day public review period as specified in section 1769(a)(2).

CONCLUSIONS

Based on Energy Commission staff's review of the November 12, 2010 petition, as well as additional drawings/diagrams submitted upon request, and in accordance with the provisions of Title 20, California Code of Regulations, section 1769(a), staff have concluded that the proposed changes to the BEPTL would result in no significant impacts to the environment and that the proposed changes meet the criteria of section 1769(a)(2). Therefore, your request for staff approved project modifications to the BEPTL project is approved, subject to the following provisions:

1. The applicant, Blythe Energy, LLC, will inform the Energy Commission Compliance Project Manager informed about any changes in construction plans and submit necessary drawings.
2. Blythe Energy, LLC, will provide an approval letter from the California ISO at least 7 days before energizing the proposed new GIS 230 kV substation and synchronizing the facility with the California ISO Transmission grid for commercial operation.
3. Within 60 days after synchronization of the facility, Blythe Energy, LLC, will submit "As Built" engineering drawings and descriptions, and one-line diagrams where applicable signed by the registered electrical engineer in responsible charge for the electrical portion and by the registered engineer in responsible charge for the mechanical, structural and civil portion of the facilities.

If you have any questions, please contact the Energy Commission's Compliance Project Manager, Mary Dyas, at (916) 651-8891 or send e-mail to mdyas@energy.state.ca.us.

MARY DYAS, Compliance Project Manager
Siting and Compliance Office
Siting Transmission and Environmental
Protection Division

Enclosure

cc: Penny Eckert, Tetra Tech EC, Environmental Manager
Docket Unit, California Energy Commission