

# Memorandum

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To : Jananne Sharpless, Presiding Member  
Robert A. Laurie, Associate Member

File : MEMO005.W52

From : California Energy Commission - Richard K. Buell  
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Subject : High Desert Power Project (97-AFC-1) Status Report Number Two-**ADDENDUM**

Since staff's March 25, 1998 status report number two, staff has acquired information on three subjects that staff believes the Committee should be informed about before the scheduled third status report due on April 24, 1998.

## **WATER RESOURCES**

First, staff received copies from the applicant of Flour Daniel's corrections of water calculations contained in the AFC. However, this package did not include the water plan as the applicant had indicated it would. Mr. Andrew Welch told staff that a draft water plan is complete and has been submitted to the Victor Valley Economic Development Authority, who would in turn, will circulate the plan to the local water agencies for comments. Staff understands that the local agencies will review the plan and provide comments to the applicant. The applicant will respond to the agencies' comments and submit the plan to the Energy Commission. Staff does not know when a final plan will be available for review, although we now believe it is unlikely that we will be able to provide an comprehensive water resources analysis in the Preliminary Staff Assessment (PSA).

## **ADDITIONAL NATURAL GAS PIPELINE**

Second, on April 8, 1998 staff learned from Mr. Richard Wolfinger that the applicant is considering an additional natural gas connection with the Pacific Gas and Electric natural gas pipeline system. This connection will require a new 26 mile pipeline which would extend northward from the power plant site along Helendale Road to Kramer Junction. The specific details of the proposal are not available at this time; staff suggests that the applicant describe their proposal at the scheduled April 14, 1998 workshop in Victorville. Staff will also schedule a workshop on April 30, 1998 to discuss the information requirements for this amendment and to discuss environmental issues that may arise as result of this new pipeline. At this time, staff doesn't know when it will receive a detailed proposal and necessary environmental data to conduct an analysis of this additional natural gas pipeline. Based on what we know at this time, staff will be unable to address this additional natural gas pipeline in its May 15, 1998 PSA.

## **PROJECT CONFIGURATIONS**

Third, staff learned on March 31, 1998 from Bob Zeller, with the Mojave Desert Air Quality Management District (District), that the District's Determination of Compliance (DOC) would only include permit conditions for one of the three configurations proposed by the applicant (i.e., the 720 MW three train (3F) combined cycle). The District stated that it will include an analysis of the other two configurations in the DOC, but did not indicate whether the other two analyses would be of the same depth as that for the permitted configuration. The District stated that the DOC would identify that after the DOC was issued, the applicant could petition the District to change the configuration permitted in the DOC. This information was later confirmed with Mr. Andrew C. Welch.

Title 20, California Code of Regulations, section 1752.3 states "[t]he presiding member's proposed decision shall include findings and conclusions on conformity with air quality laws, including required conditions, based upon the determination of compliance submitted by the local air pollution control district." Since the DOC will only include required conditions for the one configuration (720 MW three train (3F) combined cycle), staff believes that the Energy Commission will only be able to certify that configuration. If the applicant chose to construct and operate one of the other two configurations, the applicant would need to petition the Energy Commission, as well as the District, to amend their respective decisions.

Staff's recommendation on the project configuration issue contained in its February 27, 1998 "Response of Commission Staff to Committee Scheduling Order", was predicated on the assumption the Energy Commission would receive the appropriate analyses, required conditions and approvals for each configuration from local and state agencies. Thus staff is uncertain whether continuing to analyze all three configurations is appropriate. Staff notes, however, that this issue could easily be addressed if the applicant would submit the appropriate permit fees to the District.

Staff expects to discuss this issue with the parties at the workshop it has scheduled for April 14, 1998 at the District headquarters in Victorville. Staff has supplemented its workshop notice to include this topic. Staff requests that the parties be prepared to discuss the following topics:

- What is the scope of analysis the Mojave Desert Air Quality Management District (District) plans to include in the Determination of Compliance (DOC) for the two alternative configurations? How would this analysis be used to approve an amendment to permit one of the alternative configurations?
- Staff believes that the Energy Commission could only certify the one configuration permitted in the District's DOC. What options do the parties believe exist to address this situation, and what are the advantages and disadvantages of these options?

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Staff will address these issues further in its April 24, 1998 status report to the Committee and will make a specific recommendation at that time concerning its analysis of the three configurations.

RKB:rkb

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