

California Energy Commission

CPV Sentinel Energy Project Application for Certification 07-AFC-3

Commissioner James D. Boyd – Presiding Member
Commissioner Jackalyne Pfannenstiel – Associate
Member

Ken Celli – Hearing Officer
Mike Monasmith – Public Adviser
Caryn Holmes – Staff Counsel
Bill Pfanner - Project Manager

October 5, 2007



Purpose of Siting Process

“ ...to ensure that a reliable supply of electrical energy is maintained at a level consistent with the need for such energy, for protection of public health and safety, for promotion of the general welfare, and for environmental quality protection.”

Public Resources Code 25001



Energy Commission's Role

- **California Energy Commission (CEC) permitting authority**
 - Thermal power plants \geq 50 megawatts
 - Related facilities
 - electric transmission lines
 - water supply pipelines
 - natural gas pipelines
 - waste disposal facilities
 - access roads
- **Lead state agency for California Environmental Quality Act (CEQA)**



Overview of Three-Step Licensing Process

1. Data Adequacy

- Minimum requirements to accept application

2. Staff Discovery and Analyses

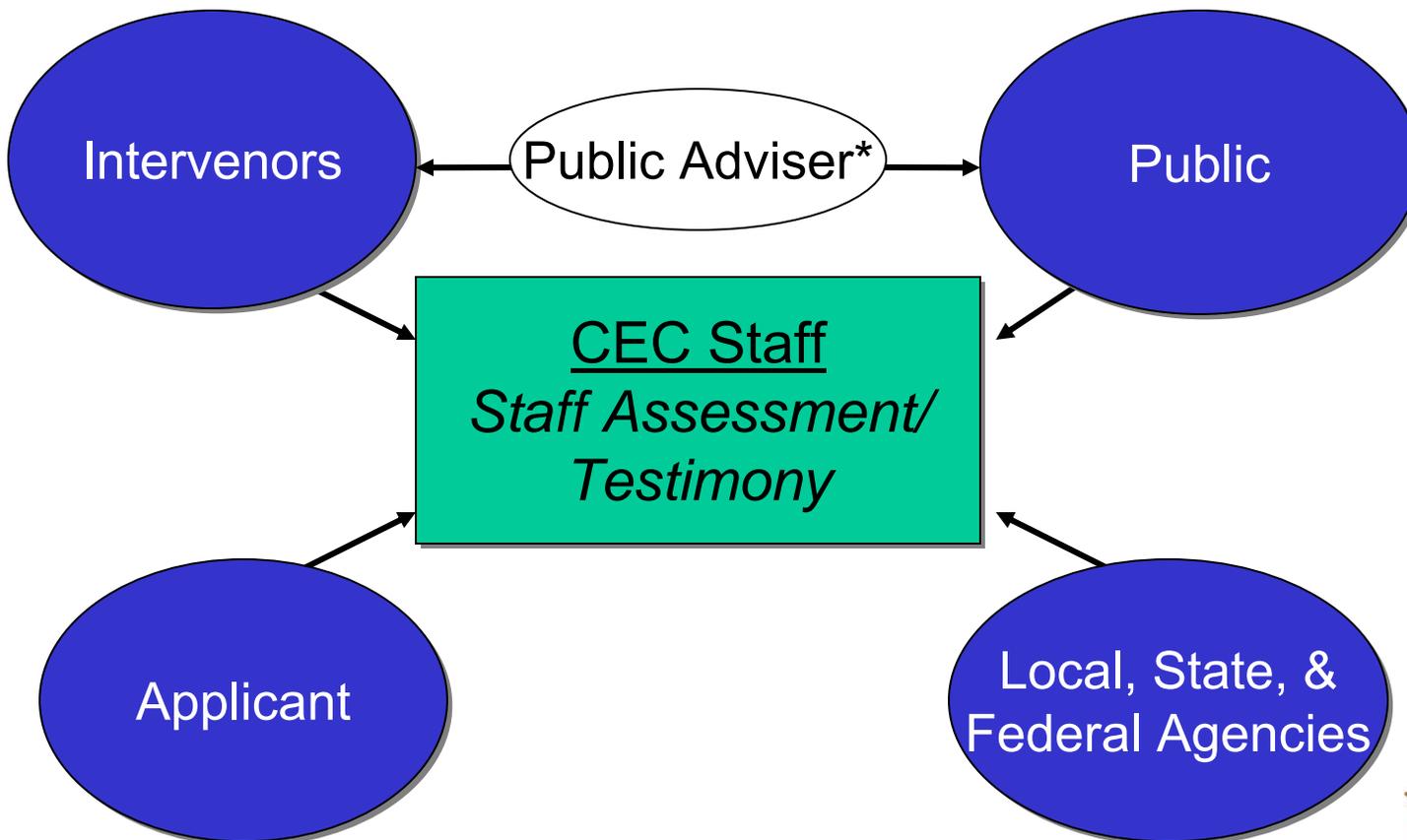
- Data Requests
- Issues Identification
- Public Workshops
- Preliminary and Final Staff Assessments (PSA and FSA)

3. Committee Evidentiary Hearing and Decision

- Evidentiary hearings based on FSA and other information
- Committee produces Presiding Member's Proposed Decision (PMPD)
- PMPD goes before full Commission for decision



Staff Discovery and Analysis Process



* The Public Adviser provides assistance on how to participate in the CEC's public process.

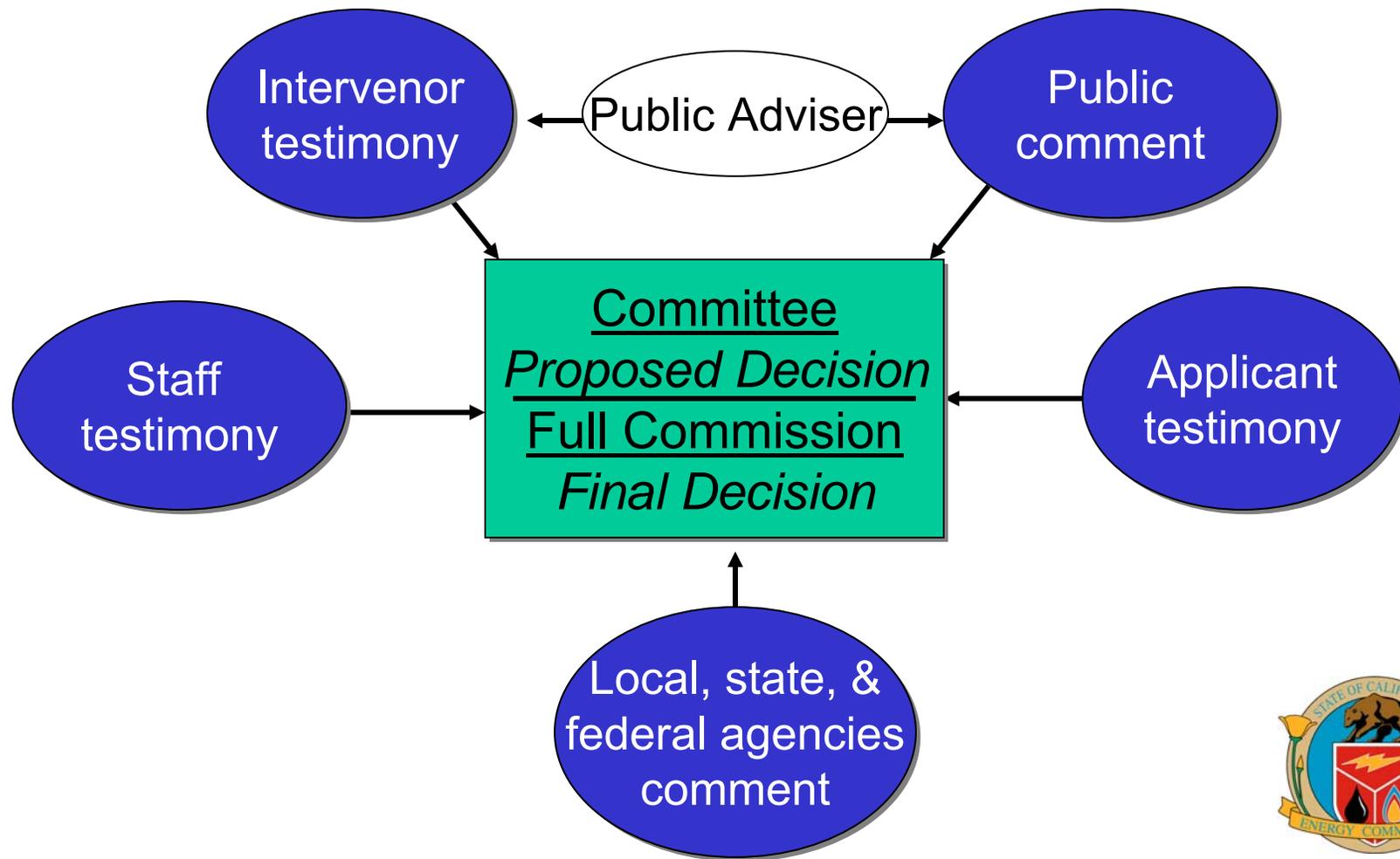


Staff Discovery and Analysis Process

- Determine if proposal complies with Laws, Ordinances, Regulations, Standards (LORS)
- Conduct engineering and environmental analysis
 - identify issues
 - evaluate alternatives
 - identify mitigation measures
 - recommend conditions of certification
- Facilitate public and agency participation
- Staff products: Preliminary Staff Assessment (PSA) and Final Staff Assessment (FSA)
- Make recommendations to the Committee



Evidentiary Hearing & Decision Process



Evidentiary Hearing & Decision Process

- **Committee conducts hearings on all information**
 - Issues Presiding Member's Proposed Decision (PMPD)
 - PMPD contains findings relating to
 - environmental impacts, public health, engineering
 - project's compliance with LORS
 - recommends conditions of certification
 - recommends whether or not to approve the project
- **Full Commission makes decision**
- **Energy Commission monitors compliance with all conditions of certification, for the life of the project**
 - includes facility closure



Local, State and Federal Coordination

- Staff works closely with local, state and federal agencies, for example:
 - **Local/Regional**
 - Riverside County – Public Health Department, Waste Management, Public Works, Planning, Building, Health, Fire, Sanitation.
 - City of Desert Hot Springs – City of Palm Springs
 - South Coast Air Quality Management District (SCAQMD)
 - Regional Water Quality Control Board
 - Metropolitan Water District
 - Mission Springs Water District
 - Desert Water Agency
 - Coachella Valley Water District
 - **State**
 - Cal. Air Resources Board
 - Cal. State Office of Historic Preservation
 - Cal. Department of Fish & Game
 - State Water Resources Control Board
 - **Federal**
 - US Environmental Protection Agency
 - US Fish & Wildlife Service
 - US Army Corps of Engineers



A Bit About the Public Process

- **Open Public Process**
 - Workshops and Hearings noticed at least 10 days in advance
 - Mailing lists
 - List Server: www.energy.ca.gov/listservers
- **Documents are available for public review at:**
 - the City of Palm Springs Public Library, Riverside County Public Library System (Desert Hot Springs), (also public libraries in Eureka, Sacramento, San Francisco, Fresno, Los Angeles and San Diego)
 - Energy Commission Library in Sacramento
 - Energy Commission Web site:
www.energy.ca.gov/sitingcases/sentinel
 - Dockets Unit at the Energy Commission
1516 9th Street, MS - 4
Sacramento, CA 95814-5512



Ways You May Participate

- **Submit written comments or statements to the Commission**
- **Provide oral comments at public meetings**
- **Become a formal intervenor (Contact Public Advisor's Office - Mike Monasmith)**
- **Provide written comments on the PSA, FSA, and PMPD**



List Server

5 Easy Steps to Subscribe:

Go to Web Address:
www.energy.ca.gov/listservers

Enter Email Address

✓ - Subscribe

✓ - Sentinel

Send Subscription

Energy Commission's Mailing Lists / List Servers

Welcome to the **California Energy Commission**

WWW.ENERGY.CA.GOV / LISTSERVERS /

List Servers (Automated E-mail Groups) Hosted by the California Energy Commission

In general, list servers are automated e-mail systems where a single e-mail sent to a list's main address can be automatically distributed to an entire group of subscribers. The Commission hosts a number of list servers that are used to distribute information on various topics about Commission programs, workshops, etc. The Commission's lists are not used for general discussion of these topic areas. Most items below are linked to their respective sections for more information about those program areas.

You can subscribe below by entering your e-mail address then click on subscribe and click the box for the list(s) you wish to subscribe to. Click the unsubscribe button and the list name(s) to delete your name from any list. Please make sure you type your e-mail address correctly.

After you've subscribed, you will receive a welcome message from the list. If you do not receive a welcome message to the list, your e-mail address may not have been entered properly. So, please retry after a couple of days.

PLEASE ONLY SUBSCRIBE TO LISTS THAT INTEREST YOU. DON'T SIMPLY CHECK ALL BOXES UNLESS YOU WISH TO RECEIVE MAIL FROM ALL THESE LISTS.

PLEASE UNSUBSCRIBE IF YOU ARE CLOSING/MOVING YOUR E-MAIL ACCOUNT! Note: Because many people do not close accounts when they move, or who use "free" e-mail accounts (such as yahoo.com) that have a limit on the number of messages they can receive or store, if we receive a notice back from your e-mail server saying mail is undeliverable, we will delete your name from all list servers.

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Note: Your e-mail address must be exact and complete. Incorrect addresses means you will not be subscribed.

Choose what to do: Subscribe Unsubscribe

Check the lists you are interested in:

<p>POWER PLANT LICENSING</p> <p>General licensing info, for projects before they are data adequate, and for compliance proceedings on Commission-approved projects that are on-line and producing power.</p> <p>(List of Current Licensing Cases)</p> <p>PLEASE DO NOT subscribe to these lists unless you are interested in information about these specific power plant licensing cases.</p>	<p>Siting Division General List</p> <p>List Server is created when a project is "data adequate."</p> <p>PROJECTS UNDER REVIEW</p> <ul style="list-style-type: none"> avenal (Avenal Power Project) bullard (EIF Fresno/Bullard Project) colusa (CVP Colusa Project) eastshore (Eastshore Project) 	<p>COMMISSION GENERAL LISTS</p> <ul style="list-style-type: none"> agendas (Commission Business Meeting Agendas) bioenergy (Bioenergy Action Plan) climatechange (Climate Change Program) contingency (Energy Emergency Contingency Planning) education (Energy Education / Energy Quest Website) energypolicy (Integrated Energy Policy Report) export (Energy Export Program) newsreleases (Commission News Releases) opportunity (RFPs, contracts, funding announcements)
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<http://www.energy.ca.gov/listservers/> (1 of 3) 2/2/2006 10:19:22 AM



Energy Commission's Website for Sentinel

Project Proceeding: Notices & Announcements

Documents & Reports

- Figures & Maps
- Commission's Documents
- Applicant's Documents
- Other Interested Government Agencies' Documents
- Intervenors' & Others' Documents

Participation:

Public Adviser's Office

Guide to Public Participation in Siting Cases

Overview of Siting Process

Title 20 CA Code of Regs

Acronyms Used in Siting Cases

CPV Sentinel Energy Project - Docket # 07-AFC-03

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WWW.ENERGY.CA.GOV / SITINGCASES / SENTINEL

CPV Sentinel Energy Project Power Plant Licensing Case

Commission Homepage
Siting Cases Main Page

Project Information
Project Fact Sheet

Project Proceeding
Notices & Announcements (Updated: 9/14/07)
Documents and Reports (Updated: 9/18/07)
Docket Log 07-AFC-03
Proof of Service List (PDF file)

Participation
Public Adviser's Office
Guide to Public Participation in Siting Cases
Commission Siting Division
Overview of Siting Process
Title 20 Calif. Code of Regulations
Acronyms Used in Siting Cases

List Server

To subscribe to this proceeding's e-mail ListServer, enter your e-mail address completely:

Note: Your e-mail address must be exact and complete. Incorrect or incomplete addresses will not work. You will receive a welcoming e-mail to confirm your subscription.

Docket Number: 07-AFC-03 (Application For Certification)

Committee Overseeing This Case:
James D Boyd, Commissioner
Presiding Commissioner
Jackalynne Pfannenstiel, Chairman
Associate Commissioner
Hearing Officer: Kenneth Celli

ANNOUNCEMENTS
[Notice of Public Site Visit and Informational Hearing](#)
October 5, 2007

Also see our Energy Calendar

Key Dates

- August 29, 2007 - Commission accepts Application as complete and "data adequate."
- June 26, 2007 - Application for Certification (AFC) filed with California Energy Commission

General Description of Project

The CPV Sentinel Energy Project is a proposed nominally rated 850-megawatt (MW) electrical generating facility. The power plant site encompasses 37 acres of land situated within unincorporated Riverside County, California.

The proposed project consists of eight natural gas-fired General Electric (GE) LMS100 combustion turbine generators (CTGs) operating in simple cycle mode. The project will supply quick-start peaking capacity, energy, and ancillary services into the California Independent System Operator's (CAISO) Los Angeles Basin Local Capacity Requirement (LCR) Area, which has been identified as an area in need of additional peaking capacity to meet resource adequacy requirements and ensure grid reliability.

The proposed project will be constructed, commissioned, owned, and operated by CPV Sentinel, LLC (CPV Sentinel). CPV Sentinel anticipates selling the capacity, energy, and ancillary services under long-term contract to one or more load serving entities. CPV Sentinel has a power purchase agreement with Southern California Edison (SCE) for five of the units and anticipates securing an agreement to sell the capacity, energy, and ancillary services under long-term contract to one or more load-serving entities for the remaining three units.

Energy Commission Facility Certification Process

The Energy Commission's facility certification process carefully examines public health and safety, environmental impacts and engineering aspects of proposed power plants and all related facilities such as electric transmission lines, natural gas pipelines, etc. The Energy Commission's responsibilities are similar to those of a lead agency under the California Environmental Quality Act (CEQA).

For More Information, Please Contact:

http://www.energy.ca.gov/sitingcases/sentinel/index.html (1 of 2) 09/22/07 8:50:22 AM



Staff's Issues Identification Report

■ Purpose

- Inform participants of potential issues
- Early focus on important topics

■ Criteria

- Significant impacts that may be difficult to mitigate
- Non-compliance with LORS
- Conflicts between parties about appropriate findings or conditions of certification for Commission decision that could delay schedule



POTENTIAL ISSUES IDENTIFIED BY STAFF

– WATER AND SOIL RESOURCES

- The project proposes using high quality groundwater from onsite wells for power plant cooling. Peak water usage is expected to be about 1,100 acre-feet per year (AFY) with an average use of 550 AFY. The groundwater sub-basin the project will be drawing water from is in a state of overdraft by 9,000 to 10,000 AFY, and requires constant replenishment. The Applicant proposes mitigating the use of the groundwater by purchasing recycled water for groundwater recharge and by paying for State Water Project (SWP) water through the Desert Water Agency. However, all water sources are currently earmarked for groundwater replenishment, and SWP water available to recharge the sub-basin is likely to be curtailed by up to 35% due to a recent court ruling^[1]. Additional analysis is needed; however, the proposed use of groundwater may not conform with the Energy Commission's water policy, and may create significant adverse environmental impacts.



POTENTIAL ISSUES IDENTIFIED BY STAFF

– AIR QUALITY

- The project faces challenges in securing adequate criteria air pollutant mitigation. The project is located in the South Coast Air Quality Management District where emission reduction credits and RECLAIM Trading Credits are scarce. Since CPV Sentinel has not yet purchased sufficient ERCs (for VOC, SOx or PM10 emissions) or RTCs (for NOx emissions) necessary to mitigate the project's impacts, it will need to rely on SCAQMD rule 1309.1 to secure the balance of the mitigation (for SOx and PM10 emissions) for this project.

– **SCAQMD Rule 1309.1 (Priority Reserve)**

- CPV Sentinel might not be eligible to access the SCAQMD Priority Reserve. Rule 1309.1 includes a cancer risk limit, a NOx and PM10 emission rate limit as a prerequisite, among other requirements, for accessing the Priority Reserve. The CPV Sentinel project may be in excess of these limits and thus not be permitted access to the Priority Reserve. Staff is currently working with the SCAQMD and CPV Sentinel to better understand what evidence or modifications might be necessary for the proposed project to demonstrate compliance.

– **Nitrogen Oxides (NOx) Mitigation & the SCAQMD RECLAIM Program**

- The project is required to participate in the SCAQMD RECLAIM program for NOx (Regulation XX). Staff will recommend that CPV Sentinel will need to provide proof that it has obtained sufficient NOx RECLAIM trading credits (RTCs) for the first year of operation through either option contracts or outright ownership, by the time of the Evidentiary Hearings. CPV Sentinel has not yet obtained sufficient NOx RTCs either through option contracts or outright ownership nor provided a schedule for obtaining these offsets.

– **Volatile Organic Compounds (VOC)**

- Based on the offsetting requirements of SCAQMD Regulation XIII, the applicant must offset the project's VOC emissions with ERCs. The applicant has not yet obtained sufficient VOC ERCs either through option contracts or outright ownership nor provided a schedule for obtaining these offsets.



Staff's Proposed Schedule

Date	Milestone/Event
25-Jun-07	Application for Certification (AFC) filed by Applicant
29-Aug-07	Decision on data adequacy at Commission business meeting
27-Sep-07	Staff files Issue Identification Report
4-Oct-07	Staff files data requests (round1)
5-Oct-07	Information hearing, site visit
2-Nov-07	Applicant provides data request responses (round 1)
15-Nov-07	Data response and issue resolution workshop
14-Dec-07	Staff files data requests, (round 2, if necessary)
14-Jan-08	Applicant provides data responses (round 2, if necessary)
28-Jan-08	Data response and issue resolution workshop (round 2, if necessary)
November 8, 2007*	SCAQMD's Preliminary Determination of Compliance
26-Jan-08	Preliminary Staff Assessment filed
20-Feb-08	Preliminary Staff Assessment workshops
7-May-07	Local, state, and federal agency final determinations (e.g., Final Determination of Compliance from BAAQMD)
6-Jun-07	Final Staff Assessment filed
June 11, 2007*	Prehearing Conference
Late June 2007*	Evidentiary hearings
September 9, 2007*	Presiding Member's Proposed Decision (PMPD)
October 9, 2007*	Committee Conference on PMPD
November 8, 2007*	Energy Commission Hearing--Final Decision



*Scheduled by the Committee assigned to Eastshore

Staff's Proposed Schedule

- **Meeting this schedule will depend on:**
 - Applicant's timely response to staff's data requests.
 - Timing of the BAAQMD filing of the Determination of Compliance
 - Determinations of other local, state, and federal agencies
 - Other factors not yet known



Contacts

- **California Energy Commission (CEC)**
 - **Bill Pfanner - Project Manager**
 - (916) 654-4206, email: bpfanner@energy.state.ca.us
 - Web page: www.energy.ca.gov/sitingcases/sentinel
 - **Ken Celli, Commission's Hearing Officer**
 - (916) 651-8893, email: kcelli@energy.state.ca.us
 - **Mike Monasmith, Public Adviser**
 - (916) 654-4489 or (800) 822-6228
 - email: pao@energy.state.ca.us
- **CPV Sentinel LLC – CPV Sentinel Energy Project**
 - **Mark Turner – Director**
 - (415) 293-1463, email: mturner@cpv.com
 - **Dale Shileikis – AFC Project Manager**
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California Energy Commission

Questions?

