

Memorandum

To: Chairman William Keese, Presiding Member
Commissioner, Authur H. Rosenfeld,
Associate Member

Date: July 31, 2003
Telephone: (916) 654-4206
File: 02-AFC-1

From: California Energy Commission - BILL PFANNER
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Subject: **STATUS REPORT FOR THE BLYTHE II ENERGY PROJECT
(02-AFC-1)**

DOCKET	
02-AFC-1	
DATE	AUG 01 2003
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Energy Commission staff has prepared this status report to update the Committee on the Blythe II Energy Project's schedule and progress.

The review of the Blythe Energy Project Phase II (BEP II) AFC is considerably behind schedule due to several unresolved issues. To date, staff has issued three rounds of data requests to the applicant. Staff has conducted several Data Request-Data Response-Issue Resolution Workshops in Blythe, Ontario, and Sacramento and held numerous conference calls and meetings with the applicant (and transmission owning utilities) to resolve outstanding issues. The critical missing information has involved the future off-site transmission line configuration(s) and the lack of completed interconnection studies by the pertinent utilities (Western Area Power Authority (Western), Southern California Edison (SCE), and Imperial Irrigation District (IID)).

The applicant has recently confirmed that the BEP II project will interconnect at the existing Buck Boulevard substation (owned by Western) located on the adjacent Blythe I site. The definition of Buck Boulevard as the "first point of interconnection" has enabled staff to determine that the Energy Commission will not have jurisdiction over any off-site transmission lines. This will allow staff to proceed with the preparation of the Preliminary Staff Assessment (PSA).

However, a copy of the applicant's interconnection study request submitted to Western has yet to be provided by the applicant. Staff has also requested, but not received, other technical information necessary to complete the Transmission System Engineering (TSE) section of the PSA. Staff has worked closely with Western, IID, SCE and the applicant to try to understand clearly how the Blythe II project will interconnect with each of these electric transmission systems. Without these interconnection studies, the PSA will be largely incomplete in the area of TSE, and staff will not be able to prepare a complete Final Staff Assessment (FSA).

To avoid further delays to the project schedule, the applicant must provide the necessary transmission interconnection requests and the final transmission studies from Western, IID, and SCE. This information, along with other technical items identified in our previous

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Status Report dated June 27, 2003, is critical to preparing a complete TSE analysis. We have also requested this information in previous data requests and phone calls, and still have no indication as to when the applicant will provide it. If this information is not received in a timely manner, it may be appropriate to suspend review of the project subsequent to the filing of the PSA. Should the applicant indicate that it will not furnish the information, staff may file a motion to compel with the Committee.

Joint CEQA/NEPA Document: The original AFC proposed that BEP II interconnect at the existing Buck Boulevard substation owned by Western. Since Western is a Federal agency, this would require that both a CEQA and NEPA environmental analysis be prepared. However, the applicant changed the project description to interconnect at Hobson Way; therefore, the need for a joint CEQA/NEPA document was eliminated. However, now that the project interconnection has been changed back to Buck Boulevard, the BEP II project will require the preparation of a joint CEQA/NEPA document, which will have implications on the scope of work and the schedule for preparing a joint CEC/Western PSA and FSA.

Specifically, there will need to be close coordination between Western and CEC staff regarding potential environmental impacts, particularly with regards to Air Quality, Biological Resources, Cultural Resources and the NEPA required Flood Plain Assessment. The CEC's FSA would become Western's NEPA Draft Environmental Assessment, from which a determination would be made as to whether an Environmental Assessment (EA) or EIS needs to be prepared.

Biological Resources: The Biological Assessment (BA) submitted by BEP II is incomplete and has been put on hold by US Fish and Wildlife until they receive additional information from the applicant. The US Fish and Wildlife needs to accept the BA as complete prior to the preparation of the FSA.

Water: The applicant has proposed a voluntary Water Conservation Offset Plan that is not proposed as a mitigation measure for the BEP II project. With what may be a significant adverse cumulative impact to water resources, staff will analyze alternative water sources and cooling systems to mitigate this potential impact. Western will also need to prepare a Flood Plain Assessment.

Air Quality: A preliminary Determination of Compliance (PDOC) was issued by the local air district on November 19, 2002. At the time of the PDOC, the full package of Emission Reduction Credits had not been identified and a Class 1 visibility analysis had not been completed. Those issues have been resolved, but the final DOC has not yet been issued by the local air district and will not be until after the PSA is published.

Schedule: CEC staff is proposing to set a schedule for the preparation of the PSA, with the full understanding that without the requested TSE information, the PSA will be incomplete. At this time, we anticipate that the PSA will be published in late September 2003.

cc: Docket (02-AFC-1)
Proof of Service List