CALIFORNIA ENERGY COMMISSION
1516 NINTH STREET
SACRAMENTO, CA 95814-5512

December 30, 2005

DOCKET
01-AFC-24C
DATE DEC 30 2005
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Mr. Robert C. Jackson
Project Director
Sempra Energy
101 Ash Street
San Diego, CA 92101-3017

Subject: Palomar Energy Project (01-AFC-24C)
Request to Make Temporary Use of Potable Water

Dear Mr. Jackson:

This letter is in response to your request for a temporary hook-up to a domestic potable water supply pipeline. The pipeline would then be connected to the on-site storage tank which supplies the cooling towers and fire suppression systems during the commissioning phase of the Palomar Energy Center Power Plant Project.

Due to circumstances beyond your control, commissioning of the facility has been delayed because the reclaimed water supply provided by the Hale Avenue Resource Recovery Facility (HARRF) has been interrupted. This in turn could delay your scheduled commercial on-line date. We understand the City of Escondido, the owner/operator of the HARRF, is working diligently to correct the problem. Commission Staff considered the following factors in reviewing your request:

- The proposed use of domestic potable water is temporary,
- Our initial analysis finds no significant environmental impacts from the proposal, and
- It is important to avoid delaying the commercial operation of this power plant in an area of critical need.

In light of this, Staff will not pursue enforcement action regarding the proposed use of domestic potable water with the following stipulations:

1. Palomar Energy, LLC (Project Owner), must obtain approval of the potable water interconnection by:

   - the Chief Building Official per Title 17 Code of Regulations, Sections 7584 and 7604 regarding backflow protection requirements, and

- the City of Escondido Department of Public Works, including backflow protection and a determination about whether the proposed supply line will have adequate pressure to supply the domestic potable water to users downstream of the Palomar Power Plant during commissioning.

2. The Project Owner shall use no more than 970 acre-feet of potable water during the commissioning period and submit metering or billing statements at the end of the HARRF outage to verify the amount of potable water used.
3. The Palomar Energy Center Power Plant must return immediately to recycled water as soon as it becomes available whether or not the 970 acre-feet limit has been reached.

Our decision not to pursue an enforcement action does not affect other parties who could petition the Commission to disallow the use of any potable water for power plant cooling during construction and testing activities. If you have any questions, please contact Connie Bruins of my staff at (916) 654-4545 or via e-mail to cbruins@energy.state.ca.us.

Sincerely,

TERRENCE O'BRIEN, Deputy Director
Systems Assessment & Facilities Siting