

Memorandum

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09-AFC-7	
DATE	<u>AUG 18 2010</u>
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Date: August 18, 2010
Telephone: (916) 653-8236

To: Commissioner Robert B. Weisenmiller, Presiding Member
Commissioner, Karen Douglas, Associate Member
Raoul Renaud, Hearing Officer

From: **California Energy Commission** – Alan Solomon, Project Manager
1516 Ninth Street Sacramento, CA 95814-5512

Subject: Palen Solar Power Plant (09-AFC-7) Status Report #1

Pursuant to the Committee Scheduling Order dated August 11, 2009 and modified on August 3, 2010 by Energy Commission staff request, staff was scheduled to publish the Revised Staff Assessment (RSA) for the Palen Solar Power Project (PSPP) on August 18, 2010. However, staff has encountered difficulty in meeting this deadline in a few technical areas, discussed further below. Therefore, staff requests a short extension of the RSA publication date.

At a Renewable Energy Policy Group meeting in July, 2010, Palo Verde Solar, LLC (applicant) informed the REAT participants that they were no longer pursuing Treasury Grant Program funding for the PSPP. They requested that the REAT agencies focus their efforts on completing the permitting of their Blythe Solar Power Project to allow them to qualify for the Treasury Grant for that project. They indicated that it would be acceptable to obtain an Energy Commission permit and BLM Right-of-Way in February 2011 for the PSPP to allow them to pursue a Department of Energy loan guarantee for that project.

Staff requests an extension of the RSA publication date for the following two reasons:

- 1) The South Coast Air Quality Management District (SCAQMD) has not issued their Final Determination of Compliance (FDOC). The SCAQMD met with the applicant and requested that the applicant inform them whether they will be purchasing additional emission reduction credits and provide additional information concerning control measures for potential Heat Transfer Fluid emissions leakage. Once this determination has been made and the appropriate information provided, the SCAQMD will be able to issue an FDOC.
- 2) Senior staff are currently reviewing and editing the Biological Resources section of the Rice Solar Energy Project (RSEP). The RSEP seeks to commence construction in 2010 to qualify for the American Recovery and Reinvestment Act (ARRA) of 2009's Renewable Energy Treasury Grant Program. Because RSEP still intends to qualify for ARRA funding, Energy Commission staff has given RSEP a priority over PSPP. The biological resources section for PSPP will be ready for publication by September 30.

For these reasons, staff requests an extension of the RSA publication date to 14 days after the FDOC is issued or September 30, 2010, whichever is later.