DOCKETED	
Docket Number:	09-AFC-07C
Project Title:	Palen Solar Power Project - Compliance
TN #:	205854
Document Title:	Response Letter to Comments on Petition
Description:	N/A
Filer:	Deric Wittenborn
Organization:	Ellison, Schneider & Harris LLP
Submitter Role:	Applicant
Submission Date:	8/27/2015 11:48:33 AM
Docketed Date:	8/27/2015

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August 27, 2015

California Energy Commission Dockets Unit, MS-4 Docket No. 09-AFC-7C 1516 Ninth Street Sacramento, California 95814-5512

RE: <u>Docket No. 09-AFC-7C</u>, <u>Palen Solar Power Project</u>

Petition for Extension of Deadline for Commencement of Construction for the Palen Solar Power Project and Notice of Upstream Ownership Change

Dear Commissioners:

Palen SEGS I, LLC (the "Project Owner") offers the following clarification in response to the comments submitted thus far on the *Petition for Extension of Deadline for Commencement of Construction for the Palen Solar Power Project and Notice of Upstream Ownership Change* ("Petition").

The primary concern raised in the comments is the assumption that the Palen Solar Power Project ("Project") would utilize a solar power tower technology rather than the solar trough technology previously approved by the Commission. Several parties object to a solar power tower technology, and therefore oppose an extension on that basis.

The Project Owner has carefully considered several alternative generating technologies for the Project site in recent months. In response to the concerns that have been raised, the Project Owner has determined that a solar trough project, similar to that approved in the original application for certification, will be pursued for this site, and the design will include energy storage. Accordingly, by this letter the Project Owner stipulates that the request for extension of the deadline for commencement of construction is solely for the purpose of submitting an amendment to update the approved solar trough technology and augment the approved solar trough design with storage.

The Project Owner's decision to incorporate energy storage was not made lightly; it is the result of extensive study and evaluation in order to be responsive to both environmental concerns and the future electrical reliability needs of California. The Project Owner is no longer constrained by power purchase agreement requirements to utilize a specific generating technology. The Project can accordingly utilize the generating technology previously approved by the Commission to address California's growing need for energy storage and more reliable renewable energy generating capacity.

The Petition requests only a short-term extension of the deadline for the commencement of construction to allow for the submission later this year of a petition for modification to update the design and incorporate energy storage into the solar trough project. Granting a short-term extension is reasonable, given the environmental and policy benefits that will accrue from the modification of the project to include energy storage.

To demonstrate its commitment to develop and construct a modified solar trough project that incorporates energy storage, the Project Owner proposes that the Commission approve the Petition with the following conditions: (1) that a petition to amend the project description of the Palen Solar Power Project be submitted no later than December 22, 2015 and (2) that the amended project description include solar trough generating technology similar to that previously approved for the Palen Solar Power Project, as well as storage capabilities.

Sincerely,

Withgles Theren

cc: Leonidas Payne, Compliance Project Manager
Frank McMenimen, BLM Project Manager
Magdalena Rodriguez, California Department of Fish and Wildlife
Jody Fraser, Ecological Services, U.S. Fish and Wildlife Service
Tom Dietsch, Migratory Birds, U.S. Fish and Wildlife Service