

CALENDAR ITEM

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02/01/10

PRC 8079.9

S 17

J. Brown

INFORMATIONAL

LESSEE:

City of Los Angeles, Department of Water and Power (City)
c/o William Van Wagoner
111 North Hope Street, Room 1460
Los Angeles, CA 90012

AREA, LAND TYPE, AND LOCATION:

Sovereign lands in Owens Lake, Inyo County.

SUMMARY OF DECEMBER 17, 2009 COMMISSION ACTION:

This item is to provide an update on the status of the Phase VII dust control project on the dry bed of Owens Lake.

On August 11, 2009, Commission staff provided an informational calendar item to the Commission regarding the status of staff's review and evaluation of the City's proposed Moat and Row dust control design and Supplemental Environmental Impact Report (SEIR) for use on Owens Lake. In the August presentation to the Commission, staff expressed concerns about the compatibility of the Moat and Row design with the public trust values of the sovereign lands of Owens Lake.

On December 17, 2009, the Commission authorized the City to construct sand fences on the existing elevation of the open playa on Cell T1A-1, at Owens Lake, and to construct ancillary features to enable wetland enhancement of existing vegetation. The City was also required to provide a written report to Commission staff by January 31, 2010 detailing the City's progress on the work at Cell T1A-1, on the City's negotiations with the Great Basin Unified Air Pollution Control District (Great Basin) concerning dust mitigation on Owens Lake, and on the City's progress in developing a solar demonstration project. During the meeting, Commission staff and the City agreed to several amendments to the proposed lease as set forth in Exhibit D of the Calendar Item, including a commitment from the City to provide specific mitigation for impacts to biological resources as a

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result of the lease amendment or until specified in a Master Plan approved by the California Department of Fish and Game and the Commission.

The Commission requested that staff report back to them at the February meeting regarding the progress of the City to complete the construction of the sand fences and vegetation enhancement on Cell T1A-1, to report on the status of the City's coordination with Commission staff on the proposed alternative dust control plans for the remaining Phase VII emissive sites (previously proposed for Moat and Row), and for the development of plans for a solar demonstration project.

SUMMARY OF ACTIONS BY COMMISSION STAFF AND CITY STAFF:

On December 22, 2009, staff of the City and Great Basin met with the Commission's Executive Officer, Paul Thayer, to discuss a proposed solar demonstration project to be located on one of the remaining Phase VII emissive sites originally proposed for the Moat and Row dust control design. Also discussed at the meeting was the possibility of substituting brine for dust control in areas previously approved for moat and row and substituting brine for freshwater in other areas.

On December 29, 2009, the eighth Lease Amendment of PRC 8079.9, for construction of the sand fences and wetland enhancement of existing vegetation in dust control Cell T1A-1, was fully executed by staff of the City and staff of the Commission. On the same day, Fish and Game issued a Lakebed Alteration Agreement allowing the City to perform earthwork in the Cell. City construction crews began mobilizing equipment and surveying at the Cell on the next day, December 30, 2009. City staff reports that work is progressing in Cell T1A-1 (laying pipes first) and that they are looking at alternatives for the other moat and row areas that will further minimize environmental impacts.

On January 13, 2010, Commission staff sent a letter to Mr. Martin Adams with the City to acknowledge that the Los Angeles Department of Water and Power (LADWP) will act as CEQA lead agency for the preparation of a mitigated negative declaration for a Solar Demonstration Project on Owens Lake. The letter requested additional information on the Project and an onsite meeting with staff from both agencies. The letter also requested more information about the potential impacts from the potential use of brine as a temporary dust control measure as discussed in the December 22 meeting.

On January 25, 2010, City staff informed Commission staff via email that a facilitator had been hired by the City to assist in the development of a Master Plan, as required in the eighth Lease Amendment. The facilitator is

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Ms. Gina Bartlett with The Center for Collaborative Policy at California State University, Sacramento.

Also on January 25, 2010, the Great Basin Governing Board received an update on the City's dust control activities at Owens Lake, including the status of the Moat and Row dust control construction, a proposed solar power project on the lake bed and the groundwater evaluation project. Staff left a message with Great Basin to find out if they had received any additional information on the solar demonstration project or any of the City's proposed dust control measures.

On January 26, 2010, staff received a one-page draft "Progress Report on Construction Activities at T1A-1 at Owens Lake" and a two-page, four-exhibit "Progress Report on Owens Dry Lake Solar Demonstration and Information Collection Study (Solar Study)".

The Progress Report on Construction Activities at T1A-1 recounts the events discussed previously in this staff report and provides additional detail on the actual work to be performed in the Cell. It does not provide any information on alternative dust control measures, such as brine.

The Solar Study begins by noting that the City approached Great Basin about the concept of using solar panels to mitigate dust in July 2009 and that consequently, in August 2009, Great Basin established criteria for dust mitigation through the use of solar arrays. The report states that the City conducted wind tunnel tests of potential solar photovoltaic configurations, including various array configurations, tilts, and spacing with different fencing and gravel placement. As a result of these studies, the City proposes to use an 80-acre portion of proposed Moat and Row Section T1A-4 at Owens Lake to install and test solar panel configurations and hardware to determine their ability to achieve dust control, evaluate the performance of the hardware, and to determine the economic feasibility of potential large scale implementation.

The City intends to conduct simultaneous studies on the 80-acre site, wherein a portion of the solar project will be augmented with gravel, while another portion will consist of solar arrays within earthen berm wind breaks, and a portion will be used to test emerging solar technologies.

The solar project will tie into a 34.5 kV transmission line located less than three miles from the solar study site. The line has available capacity to deliver the electricity generated at the study site to the City's Cottonwood Station, where it will connect to the City's 230 kV Inyo-Rinaldi transmission line.

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The City states that the solar study will incorporate all applicable environmental mitigation measures proposed in the 2009 Moat and Row SEIR. The City maintains that the demonstration project is needed to determine the feasibility of solar panel arrays as a dust control measure at Owens Lake, to gain experience for future projects through the testing of different solar technologies in the harsh environment and soil conditions of Owens Lake, and to minimize the long-term consumption of water.

The Solar Study provides a preliminary schedule for the demonstration project that includes the following:

- February 2010 Submittal of a complete conceptual project proposal
- August 2010 Complete environmental document (Mitigated Negative Declaration) and obtain authorization of lease from the Commission
- September 2010 Award bid for engineering and materials
- October 2010 Begin site preparation
- January 2011 Begin installation of solar equipment
- July 2011 Begin commercial operation

NEXT STEPS:

The City has provided Commission staff with a detailed update on both the City's progress in Cell T1A-1 and in developing a solar demonstration project. Staff anticipates that the City will be providing, as also required in the approved Lease Amendment, an update on the City's negotiations with Great Basin concerning dust mitigation on Owens Lake. Staff will also be coordinating with City staff to schedule an onsite meeting for the solar demonstration project.

In addition, the City will need to submit a lease application to Commission staff for the solar demonstration project, which includes a sufficiently detailed project description that can be reviewed in advance of CEQA document circulation.

As part of the preparation of the Master Plan, the City and the facilitator plan to convene a stakeholder group. The facilitator will then conduct interviews with representatives of each organization or group.

The City should also provide, at its earliest opportunity, any other alternatives for the other Moat and Row areas that will further minimize environmental impacts to Owens Lake.