

Calif. Greenlights Revised \$1.1B Blythe Solar Project

Chelsea Naso, Law360.com, 1-15-14

California energy regulators on Wednesday signed off on changes to the planned \$1.13 billion Blythe Solar Power Project, including allowing NextEra Blythe Solar Energy Center LLC to decrease the project's overall size and move forward with a solar-photovoltaic plant, rather than a solar parabolic-trough.

The five-member California Energy Commission voted unanimously to approve the amendment, emphasizing that moving the project forward will push the state closer toward its renewable energy goals, according to Commissioner Karen Douglas.

“The project will spur California’s transition to renewable energy and help advance its aggressive climate change goals,” she said in a statement.

A committee created by the commission to review the application found the project could have environmental impacts to biological resources, cultural resources, land use and visual resources. However, the committee found that the benefits, including a reduction in greenhouse gas emissions, the creation of 500 construction jobs and a contribution to meeting the state’s renewables portfolio standard, outweighed those impacts.

The Blythe project was originally owned by Solar Millennium subsidiary Palo Verde Solar I LLC and was approved by the commission in 2010, according to commission documents. Solar Millennium filed into insolvency in Germany in 2011, and Palo Verde initially applied for the amendment in June 2012 but ultimately sold its assets at auction to NextEra.

NextEra continued the application and in April 2013 filed a revised amendment to reduce both the project’s physical size and energy-generation capacity, according to a statement. The 485-megawatt project, pared down from 1,000 megawatts, will be built on just more than 4,000 acres of land in four phases.

Construction of the entire plant is expected to take about four years. The project would require an average of 341 employees during construction, with a peak of nearly 500, according to a statement. Once the plant is operational, about 15 employees would be needed.

California has made aggressive strides toward promoting renewable energy use in the state. In October, the California Public Utilities Commission issued a groundbreaking mandate that finalized the framework of an energy storage procurement policy that requires the state’s major investor-owned utilities — Pacific Gas & Electric Co., Southern California Edison and San Diego Gas & Electric — to collectively procure 1,325 megawatts of energy storage capacity by 2020, with installations no later than the end of 2024.

That target, the first of its kind in the U.S., is a significant increase from the current 35 megawatts of energy storage, according to the U.S. Department of Energy’s energy storage database.

Policies like the one adopted by California are expected to spur growth the same way state renewable portfolio standards — which require utilities to draw a percentage of their power from renewable sources by a certain date — have boosted renewable energy project development.