

MINUTE ITEM

This Calendar Item No. 36
was approved as Minute Item
No. 36 by the State Lands
Commission by a vote of 3
to 0 at its 1-26-81
meeting.

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On October 30, 1980, staff informed the Commission that Owens Lake was one of five sites being considered by the Governor's Office for a 300 kw demonstration solar pond power plant to become operational in mid-1982.

Following a preliminary feasibility investigation of the candidate sites, the northwest corner of Owens Lake, formerly a Pittsburgh Plate Glass Industries, Inc. soda ash plant, was selected for the project.

One million dollars from the Energy and Resources Fund has been requested by the Commission for the project and included in the Governor's proposed 1981-82 budget. An additional one million dollars, estimated to be necessary to complete the project, is currently being sought from Federal sources.

The Los Angeles City Department of Water and Power (DWP) has expressed an interest in: (1) conducting a study of the feasibility of the project at Owens Lake; (2) performing plant construction work; (3) operating the plant once completed; and (4) contributing toward project cost. The nature and degree of the Commission/DWP effort would be the subject of an initial letter of intent and a subsequent contractual arrangement.

Staff is presently:

1. Compiling site specific technical information in cooperation with the Los Angeles Department of Water and Power, the Jet Propulsion Laboratory and other agencies. This information includes: (a) meteorological; (b) geotechnical; (c) mineral chemistry; and (d) water resource data. Such data will be used to establish the suitability of the site for the proposed facility, prepare a preliminary design for it, and obtain a more accurate estimate of the cost of the project at the proposed site;

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2. discussing, with DWP, the role for the City in the project as outlined above. The proposed "letter of intent," delineating DWP's and SLC's respective roles, may include, but not be limited to, such primary provisions as:
- (a) DWP would provide the project feasibility study, including preliminary design and estimates of the cost of construction.
 - (b) If the results of the feasibility study are positive, DWP would provide expert testimony for the legislative budget hearings.
 - (c) When final funding for the project becomes available DWP will contribute up to \$500,000 toward the design and construction of the facility. They will be responsible for acquiring the equipment and materials used for the project. DWP's contribution may include cost incurred in determining feasibility of the project at the site. At that time, the State would provide \$1 million and the land, water and minerals needed to complete the project. This work would be performed pursuant to a separate contract between State Lands Commission and DWP. That contract will require separate Commission action prior to execution.
 - (d) Throughout the term of the project, the State would be responsible for all permits and environmental documentation.
 - (e) The State and DWP would bear their own expenses if there is a negative finding as to feasibility or the legislature deletes the project from the budget.
 - (f) Upon completion of the facility, DWP and the State Lands Commission would share ownership of the power plant in proportion to their respective contributions. DWP may have the right to purchase the State's portion of the power generated at specified rates.
 - (g) DWP is anticipated to ultimately be the operator of the facility.

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- (h) During the course of the project, each party will be responsible for its own liabilities.
3. preparing a Request for Proposals (RFP) which may be used in conjunction with DWP's participation in the project. This RFP would solicit proposals from various engineering, equipment and construction firms for the final design and construction of the plant at the designated site.

IT IS RECOMMENDED THAT THE COMMISSION:

1. AUTHORIZE THE EXECUTIVE OFFICER TO:
- A. SOLICIT, NEGOTIATE AND ENTER INTO AN AGREEMENT(S) WITH THE LOS ANGELES DEPARTMENT OF WATER AND POWER AND/OR OTHER PARTICIPANTS, TO DELINEATE THEIR PARTICIPATION IN THE DEMONSTRATION SOLAR POND POWER PLANT AT OWENS LAKE.
 - B. PREPARE AND, IF NECESSARY, ISSUE AN RFP TO SOLICIT TECHNICAL PROPOSALS FROM VARIOUS ENGINEERING, EQUIPMENT AND CONSTRUCTION FIRMS FOR THE DESIGN AND CONSTRUCTION SPECIFICATIONS FOR A 300 KW DEMONSTRATION SOLAR POND POWER PLANT AT OWENS LAKE.
 - C. INCUR EXPENSES IN AN AMOUNT NOT TO EXCEED \$10,000 TOWARD SECURING THE ABOVE AGREEMENT(S) AND/OR INFORMATION OUTLINED ABOVE.
2. FIND THAT THIS ACTION DOES NOT CONSTITUTE A "PROJECT WHICH MAY HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT" AND IS, THEREFORE, NOT SUBJECT TO PROVISIONS OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT AND ITS IMPLEMENTING GUIDELINES (PRC 21080; and CAC 15060).