



TOWN OF APPLE VALLEY

TOWN COUNCIL STAFF REPORT

To: Honorable Mayor and Town Council **Date:** April 30, 2013

From: Frank W. Robinson, Town Manager **Item No:** 12
Town Manager's Office

Subject: REQUEST TO ADOPT RESOLUTION 2013-17 IN SUPPORT OF THE
CITY OF VICTORVILLE'S PETITION TO THE CALIFORNIA ENERGY
COMMISSION TO EXTEND THE CONSTRUCTION DEADLINE FOR
THE VICTORVILLE 2 HYBRID POWER PROJECT

T.M. Approval: _____ **Budgeted Item:** Yes No N/A

RECOMMENDED ACTION:

Adopt Resolution No. 2013-17, a Resolution of the Town Council of the Town of Apple Valley, California, in support of the petition recently filed by the City of Victorville with the California Energy Commission (CEC) to extend the construction deadline for the Victorville 2 Hybrid Power Project for a period of five (5) years.

SUMMARY:

In its ongoing efforts to complete construction and bring into operation the Victorville 2 Hybrid Power Project (the Project), a 563 megawatt hybrid natural gas-fired combined cycle and solar thermal plant, the City of Victorville has filed a construction deadline extension request with the CEC as required per § 1720.3 of the California Code of Regulations, Title 20, Public Utilities and Energy.

The City of Victorville was granted approval of its original Application for Certification (AFC) by the CEC in July 2008 to construct and operate the Project, located at the Southern California Logistics Airport on a 300 acre site. After the initial approval by the CEC in 2008 however, worsening economic conditions and other significant factors beyond the City's control resulted in unforeseen and unavoidable delays to the Project.

Improving economic conditions, renewed developer interest and positive future market expectations have now created the favorable conditions necessary for Project completion. Realization of the Project will bring numerous benefits to the City of Victorville and the region as a whole, including new job creation, enhanced business attraction and retention and increased tax revenues for use in future economic development activities.

In the spirit of partnership and continued collaboration amongst the cities of the High Desert, staff recognizes the importance of the completion of the Project to the City of Victorville and recommends that the Town Council adopt Resolution No. 2013-17 in support of the City's petition filed with the CEC requesting and extension of the construction deadline for the Victorville 2 Hybrid Power Plant.

RESOLUTION NO. 2013-17

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF APPLE VALLEY, CALIFORNIA, SUPPORTING THE PETITION SUBMITTED TO THE CALIFORNIA ENERGY COMMISSION TO EXTEND THE CONSTRUCTION DEADLINE FOR THE VICTORVILLE 2 HYBRID POWER PROJECT

WHEREAS, the City of Victorville (“Victorville”) filed an Application for Certification (“AFC”) with the California Energy Commission (“CEC”) on February 28, 2007, to construct and operate the Victorville 2 Hybrid Power Project (“Victorville 2”, or the “Project”), a 563 megawatt hybrid natural gas-fired combined cycle and solar thermal power plant; and

WHEREAS, on July 16, 2008, by adoption of Order No. 08-0716-2, the CEC issued its final decision approving the AFC and granting Victorville a certificate to construct and operate the Project; and

WHEREAS, § 1720.3 of the California Code of Regulations, Title 20, Public Utilities and Energy, states that “the deadline for the commencement of construction shall be five years after the effective date of the decision,” or July 16, 2013; and

WHEREAS, § 1720.3 of the California Code of Regulations, Title 20, Public Utilities and Energy, further states that “[p]rior to the deadline, the applicant may request, and the [CEC] may order, an extension of the deadline for good cause;” and

WHEREAS, a number of conditions exist that Victorville believes establish good cause for extending the construction deadline, inclusive of the substantial resources and development efforts invested in the Project, economic and other conditions beyond the control of Victorville that have inhibited such efforts over the past five years, and legislation and market circumstances that indicate the viability of Victorville 2 as strategic project and location; and

WHEREAS, an extension of the construction deadline will maintain the potential for Victorville and surrounding region, including the Town of Apple Valley, to realize the anticipated benefits associated with the Project, which include the creation of new and well-paying jobs at the plant, enhancement of the ability to attract new businesses and associated jobs, and significant tax revenues for use in further economic development activities; and

WHEREAS, on March 28, 2013, Victorville submitted a petition to the CEC to extend the construction deadline for Victorville 2 for a period of five years, to July 16, 2018.

NOW, THEREFORE, THE TOWN COUNCIL OF THE TOWN OF APPLE VALLEY DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. The Town Council supports the petition submitted to the CEC on behalf of Victorville on March 28, 2013, attached hereto as Exhibit A, pursuing the extension of the construction deadline for the Victorville 2 Hybrid Power Project.

Section 2. The Town Clerk shall certify to the adoption of this Resolution.

Section 3. This Resolution shall take effect immediately upon its adoption.

APPROVED and **ADOPTED** by the Town Council of the Town of Apple Valley this 30th day of April, 2013.

Curt Emick, Mayor

ATTEST:

La Vonda M-Pearson, Town Clerk

Exhibit A

City of Victorville's Petition for Extension of the Construction Deadline

Victorville 2 Hybrid Power Project

Docket No. 07-AFC-1C

***Note: The map and list of property owners located within 1,000 feet
of the Project have been excluded for privacy purposes.***