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Hydrogen Energy California Achieves Air Quality Approval in State’s Licensing Process

Hydrogen Energy California (HECA) recently received a final determination from the San Joaquin Valley Air Pollution Control District that its proposed integrated gasification combined cycle plant in Kern County is in compliance with all air quality standards and regulations.

The "Final Determination of Compliance" (FDOC) by the District is a major step forward in the California Energy Commission’s (CEC) multi-agency review process for the construction of the HECA power plant in Kern County. This approval is a significant part of the overall licensing procedure and is necessary for HECA to receive the final go-ahead from the CEC, the lead agency on the project.

HECA is a state-of-the-art power generation facility that uses Integrated Gasification Combined Cycle technology to convert fossil fuels into clean-burning hydrogen fuel. This hydrogen-rich fuel will be used to generate 300 MW of low-carbon electricity for powering as many as 160,000 homes, and to manufacture low-carbon fertilizer. HECA will also capture more than 90 percent of its carbon dioxide (CO2) emissions, preventing approximately three million tons per year of greenhouse gases from entering the atmosphere. Most of the CO2 will be transported to nearby oil fields, where it will be safely and permanently stored underground for use in enhanced oil recovery.

The Air District’s decision means that HECA has submitted sufficient information and mitigation proposals to demonstrate that it can operate in full compliance with all applicable air pollution rules and regulations.

Further, in an agreement with the Air District, HECA has voluntarily agreed to exceed the required minimum mitigation measures by committing additional financial resources the Air District will reinvest back into the community. The Air District will use these funds to help with a number of air pollution reduction measures, such as investing in clean school buses, traffic light synchronization, energy efficient agricultural pumps and other infrastructure improvements. As a result, HECA will offset more emissions overall than it will create.

According to the Air District’s executive director, Seyed Sadredin, "based on the mitigations that we have required and the applicant has agreed to do, this project built will actually result in a net benefit in air quality in the San Joaquin Valley and in the region."

HECA is funded in part by a $408 million grant from the U.S. Department of Energy (DOE), in recognition of the project's importance as a safe and cost-effective way to produce clean energy. The project is managed by the DOE's Office of Fossil Energy's National Energy Technology Laboratory.

Business Focus

Voices from the Business Community

People are talking – and the Kern County business community is recognizing the value and many benefits that HECA will bring to the region. Here are a few excerpts from letters written by local business leaders to John Heiser at the California Energy Commission:

July 8, 2013 / From Richard D. Chapman, President, Kern Economic Development Corporation: On behalf of the Kern County Economic Development Corporation, I am pleased to provide this letter of support to Hydrogen Energy California's (HECA) project in Kern County, California. The $4 billion HECA project is a major initiative that will lay the groundwork for a larger low-carbon industry
Questions & Answers: More about Fertilizer

Fertilizer production is one of the most intriguing, forward-looking and unique characteristics of the HECA project. To provide a big-picture overview of the fertilizer production process, its value and benefits, we compiled questions from people interested in the project, into a wide-ranging Q&A. Following are selected excerpts of the most popular questions. Visit heca.com for more.

If HECA will be a low-carbon energy power plant, why is it also going to produce fertilizers?
The Hydrogen Energy California (HECA) project was originally designed for a single purpose — to provide low-carbon reliable electricity generated from clean-burning hydrogen. When SCS Energy, LLC, acquired HECA in 2011, the company’s management recognized that the project had the potential to be of even more value to Kern County and California. By incorporating a few design changes, including the addition of an Integrated Manufacturing Complex, the plant can now utilize its by-products to produce high quality, low-carbon fertilizers for use in agriculture when not producing electricity.

What are the environmental benefits or impacts associated with fertilizers from HECA?
Overall, HECA will be among the cleanest commercial-scale fertilizer facilities not only in California but in the world, because the plant’s carbon emissions will be significantly lower than emission levels of traditional fossil-fueled facilities — including those powered by natural gas. By reducing dependence on foreign sources, HECA’s fertilizer production will also generate other types of environmental benefits. For example, in 2010 about 32 percent of the state’s nitrogen-based fertilizer supply came from outside the U.S., typically from facilities powered by traditional, emission-generating fossil fuels. In addition, HECA’s locally-produced fertilizers will lessen transportation-related emissions resulting from shipping the fertilizers thousands of miles by cargo ships, rail cars and trucks. HECA’s local fertilizer production will serve as a model for many locations in the U.S. that want to cut transportation costs and reduce emissions associated with this product that is so vital to California’s agriculture.

What are the economic benefits or impacts of HECA’s fertilizer production?
HECA’s fertilizer production will have a two-fold benefit to the local and state economy. First, the integration of fertilizer production into HECA’s operations will make the facility economically viable by allowing it to function around the clock to produce both high quality fertilizers for agriculture and clean energy for homes and businesses. In addition, HECA’s consistent and competitively-priced supply of low-carbon fertilizers will be worth more than $1 billion a year to the state and local economies, and the facility’s proximity to existing truck and rail infrastructure will allow for timely product delivery throughout the region and the lowering of transportation costs from foreign imports.

Did You Know?
- Wind and solar energy are increasingly used in California, HECA will be able to supply local low-carbon energy to the grid 24 hours a day — essential for when the wind does not blow and the sun does not shine.

Community Focus

In keeping with its commitment to support local communities, HECA has been actively participating in a number of activities in the area.

On May 24, HECA sponsored a fundraiser for the Buttonwillow Little League, providing funds and T-shirts for the event.

In June, HECA donated funds to the Buttonwillow Pioneer Senior Center to purchase a television as the grand raffle prize at their July 19 fundraiser.

In August, HECA participated in Buttonwillow Community Clean Up Day, hosted by 4th District Supervisor David Couch and the Buttonwillow Chamber of Commerce.

Coming up, HECA will sponsor Buttonwillow’s annual Fall Farm Festival to take place on September 14. This year, HECA’s participation will include funding to provide helicopter rides for attendees, a popular activity for the last two years.
During the last six months, HECA has presented information about its project to the Kern County business community through a series of sponsored announcements in the bi-monthly Kern Business Journal. These announcements, which were tied to the publication’s editorial themes, highlighted the project’s importance to different sectors of the local economy, from logistics and transportation to healthcare and agriculture. The final installment (right) ran in the August/September issue on oil and natural gas. It illustrates how HECA’s ability to capture carbon dioxide (CO₂) and store it permanently and safely underground will have a direct impact on increased oil production — providing direct benefits to the economy.

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Did You Know? - HECA’s water use will be minimized by a zero-liquid-discharge process which allows the project to recycle and reuse water and also eliminate surface wastewater discharge.
MESSAGE FROM HECA

Hydrogen Energy California (HECA) continues its progress toward achieving regulatory approval and recently reached two milestones, each one the result of a long, complex and thorough process of detailed agency evaluation and extensive public comment. First, the San Joaquin Valley Air Pollution Control District issued its Final Determination of Compliance (FDOC), which states that HECA is in compliance with all local air quality standards and regulations (see lead story on P.1). In addition, the California Energy Commission (CEC), which is the lead agency on the project, and the Department of Energy (DOE) issued the Preliminary Staff Assessment/Draft Environmental Impact Study (PSA/DEIS).

As the next step in the process, the DOE's National Energy Technology Laboratory (NETL) and the CEC will host joint public meetings/workshops on the PSA/DEIS. These workshops will ensure transparency, answer questions and allow members of the community to provide oral and written comments that will become part of the official record. Following is the schedule of public hearings. A Spanish translator will be available at each session.

Visit the HECA Information Center

The HECA Information Center in Buttonwillow is a resource for everyone to learn more about the project and its progress. Our representatives are available to answer your questions and visit with your organizations upon request.

Also visit the website at: heca.com

**Tuesday, September 17, 2013**
Buttonwillow Recreation and Park District Multi-Purpose Facility
1536 Milo Avenue, Buttonwillow, California 93206
10:00 a.m. - 2:00 p.m. CEC Workshop
6:00 p.m. - 8:00 p.m. Formal Public Comments

**Wednesday, September 18, 2013** (Same location)
9:00 a.m. - 8:00 p.m. CEC Workshop
6:00 p.m. - 8:00 p.m. Formal Public Comments

**Thursday, September 19, 2013** (Same location)
9:00 a.m. - 1:00 p.m. CEC Workshop

CEC: For information on participating in the CEC's review of the project and/or to reserve a Spanish translation headset, please contact the California Energy Commission Public Adviser's Office at (916) 654-4489 or toll free in California at (800) 822-6228. The Public Adviser's Office can also be contacted via email at: publicadviser@energy.ca.gov.

DOE-NETL: To sign up to present comments to DOE-NETL at the hearing or to submit written comments to DOE-NETL, please contact: Mr. Fred Pozzuto, NEPA Compliance Officer, DOE-NETL, 3610 Collins Ferry Road, P.O. Box 880, M/S:107, Morgantown, West Virginia 26507-0880
Email: fred.pozzuto@netl.doe.gov Ph: (304) 285-5219, Toll-free (800) 432-8330 (Ext. 5219)
Fax: (304) 285-4403. (All envelopes, subject lines of emails and faxes should be labeled "HECA Project.")

The PSA/DEIS is available on the Internet at: www.energy.ca.gov/2013publications/CEC-700-2013-001/CEC-700-2013-001-PSA.pdf

The HECA Information Center in Buttonwillow is a resource for everyone to learn more about the project and its progress. Our representatives are available to answer your questions and visit with your organizations upon request.

Also visit the website at: heca.com

Location: 189 E. Front St.
Hours: Monday - Friday
10:00 am to 2:00 pm
Phone: (661) 764-6442