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Follow up information to 11-20-13 Buttonwillow workshop on 08-AFC-8A

Additional submitted attachment is included below.

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February 4, 2014

Ms. Lisa DeCarlo
Staff Attorney
California Energy Commission
Delivered via email to lisa.decarlo@energy.ca.gov

RE: Follow up information to 11-20-13 Buttonwillow workshop on 08-AFC-8A

Dear Ms. DeCarlo:

I am writing to submit additional information per your request at the November 20, 2013 workshop in Buttonwillow, CA on the Hydrogen Energy California (HECA) project. Specifically in regards to the addition to HECA's Proposed Conditions of Certification of a bonding requirement.

As you recall, the Kern County Farm Bureau (KCFB) has requested in the attached letter, "that the project owner enter into a bonding agreement to set aside funds to mitigate any potential damages to neighboring agricultural production. Typically, bonding is required at 10% the total cost of the project." As a follow up to these verbally delivered remarks you had inquired into how such bonding is structured.

Pursuant to development standards in the State of California, a bond is required of the developer and held by the lead agency for all projects to secure funds in case of unforeseen and unmitigated impacts. Usually, for a set time period and defined scope.

In the case of HECA, the California Energy Commission (CEC) would hold the bond for the project applicant. The bond would seek to cover the cost to growers in a defined area that should experience any negative impacts to their agricultural production from HECA for a set amount of years after the CEC were to certify the project. The amount of the bond could be calculated by using UC Davis Tree and Vine Loss Calculators, a defined area of protection, and the amount of years to cover.

I hope this elaboration is helpful. Thank you for considering our concerns.

Sincerely,

Benjamin McFarland
Executive Director
Kern County Farm Bureau