

VALLE DEL SOL ENERGY, LLC

August 01, 2012

California Energy Commission

DOCKETED
05-AFC-3

TN # 66409

AUG 01 2012

Mr. Robert Worl
Siting Project Manager
California Energy Commission
1516 Ninth Street
Sacramento, CA 95814-5512

Subject: STATUS REPORT #15 FOR THE SUN VALLEY ENERGY PROJECT (05-AFC-3)

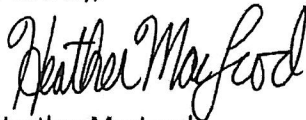
Dear Mr. Worl,

Pursuant to the terms of the Commission's Order Suspending Proceeding dated June 20, 2012, Valle Del Sol Energy, LLC submits Status Report #15 for the Sun Valley Energy Project. The Sun Valley Energy Project (SVEP) is a 500-megawatt natural gas-fired peaker plant that will be located in the City of Menifee, California. The site is located on 50 acres of former farm land 30 yards southwest of the Valley Substation and will feature five General Electric LMS-100 gas turbines.

Valle Del Sol believes that SVEP represents an ideally-sited opportunity to add peaking generation to efficiently integrate renewable energy to the Los Angeles basin grid as it becomes necessary. We continue to track Assembly Bill 1318 (AB 1318, Perez, Chapter 285, Statutes of 2009) which requires CARB, in consultation with the ISO, CEC, CPUC and the SWRCB to provide a report to the Governor regarding their assessment of the electrical system reliability needs of the South Coast Air Basin (SCAB) and recommendations for the most effective way to meet those needs. A status report was issued by CARB on June 22, 2012 which indicates that they have conducted a local capacity area requirements study and a regional requirements study. The results of these studies are currently under review, however, it is evident that they are faced with significant challenges regarding grid reliability. Valle Del Sol is hopeful that the final study results will drive changes essential for new power plants with regards to emission offsets. We have demonstrated ownership of all required VOC ERCs, however, are still challenged by the lack of available PM₁₀ and SO_x ERCs that is affecting the entire SCAQMD region. With no other issues identified in the SCAQMD Final Determination of Compliance or in the CEC's Preliminary Staff Assessment, we believe that SVEP is one of the viable solutions to these challenges. We will continue to track the results of these studies and plan to participate in the public workshop identified in the tentative schedule published in CARB's status report.

We greatly appreciate the Commission's support and we will continue to provide you with updates on any changes relating to the progress of the SVEP.

Sincerely,



Heather MacLeod
Valle Del Sol Energy, LLC

CC: Service List
Jane Luckhardt, Downey Brand

3 MacArthur Place, Santa Ana, CA 92707



BEFORE THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT
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APPLICATION FOR CERTIFICATION

For the SUN VALLEY ENERGY PROJECT (SVEP)

Docket No. 05-AFC-03

PROOF OF SERVICE

(Revised 6/20/2012)

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*indicates change

DECLARATION OF SERVICE

I, Lois Navarrot, declare that on August 1, 2012, I served and filed a copy of the attached Status Report #15 for the Sun Valley Energy Project (05-AFC-3), dated August 1, 2012. This document is accompanied by the most recent Proof of Service list, located on the web page for this project at:
www.energy.ca.gov/sitingcases/sunvalley/index.html.

The document has been sent to the other parties in this proceeding (as shown on the Proof of Service list) and to the Commission's Docket Unit or Chief Counsel, as appropriate, in the following manner:

(Check all that Apply)

For service to all other parties:

- Served electronically to all e-mail addresses on the Proof of Service list;
- Served by delivering on this date, either personally, or for mailing with the U.S. Postal Service with first-class postage thereon fully prepaid, to the name and address of the person served, for mailing that same day in the ordinary course of business; that the envelope was sealed and placed for collection and mailing on that date to those addresses **NOT** marked "e-mail preferred."

AND

For filing with the Docket Unit at the Energy Commission:

- by sending an electronic copy to the e-mail address below (preferred method); **OR**
- by depositing an original and 12 paper copies in the mail with the U.S. Postal Service with first class postage thereon fully prepaid, as follows:


CALIFORNIA ENERGY COMMISSION – DOCKET UNIT
Attn: Docket No. 05-AFC-3
1516 Ninth Street, MS-4
Sacramento, CA 95814-5512
docket@energy.state.ca.us

OR, if filing a Petition for Reconsideration of Decision or Order pursuant to Title 20, § 1720:

- Served by delivering on this date one electronic copy by e-mail, and an original paper copy to the Chief Counsel at the following address, either personally, or for mailing with the U.S. Postal Service with first class postage thereon fully prepaid:

California Energy Commission
Michael J. Levy, Chief Counsel
1516 Ninth Street MS-14
Sacramento, CA 95814
mlevy@energy.state.ca.us

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, that I am employed in the county where this mailing occurred, and that I am over the age of 18 years and not a party to the proceeding.


Lois Navarrot