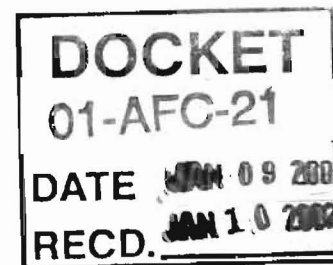


CALIFORNIA ENERGY COMMISSION

1516 NINTH STREET
SACRAMENTO, CA 95814-5512

January 9, 2002



TO: AGENCY DISTRIBUTION LIST

**TESLA POWER PROJECT (01-AFC-21):
APPLICATION FOR CERTIFICATION "SUPPLEMENTAL MATERIAL"**

On October 23, 2001, your agency was sent a copy of the Tesla Power Project Application for Certification (AFC) with a request for your agency's comments. Enclosed is the recently filed "Supplemental Material" to the AFC.

At the January 9, 2002 business meeting, the California Energy Commission determined the AFC to be data adequate, thus beginning the data discovery, analysis phases of this projects 12-month siting review. During this time, staff will conduct a detailed examination of the project's potential for environmental and engineering impacts and compliance with all applicable laws, ordinances, regulations, and standards. As part of our review process, the staff of the Energy Commission works closely with local, state and federal agencies to ensure that all laws, ordinances, regulations and standards are met and incorporated into the final decision of the Commission. Your agency now has the opportunity to assist Energy Commission staff in identifying significant issues and any additional information necessary for proper analysis and resolution of these issues.

As noted in the initial letter, the Governor has signed several bills designed to improve the efficiency of the California Energy Commission's review of power plant applications. Senate Bill 1388 (enacted as Stats. 2000, ch. 1040, §2) amended Section 25519 of the Public Resources Code to require local and state agencies to provide their comments and recommendations within 180 days of acceptance of the AFC (January 9, 2002). Similarly, President Bush issued a memorandum on February 15, 2001, directing relevant *federal* agencies to expedite federal permit review and decision procedures with respect to the siting of power plants in California.

To ensure that staff are able to issue the staff assessments of the AFC in a timely manner, Energy Commission staff will be relying on timely review and feedback from local, state, and federal agencies. Energy Commission staff requests your cooperation in meeting the requirements of the new state law by completing your review and issuing **preliminary and final** comments, formal notices, findings, and opinions (such as those contained in a final Determination of Compliance, wastewater discharge requirements, biological opinions, and land use decisions) on or before **May 8, 2002 and July 8, 2002**. While there is no specific requirement for *federal* agencies, Energy Commission staff requests that *federal* permit reviews be submitted in the same timeframes.

Over the next 12 months, the Energy Commission will conduct a number of public workshops and hearings on the proposal to determine whether the project should be approved for construction and operation and, if so, under what set of conditions. These events will provide the public as well as local, state, and federal agencies the opportunity to ask questions about and provide input on the proposed project. We encourage your agency to participate in these proceedings.

If you have any questions, please contact Jack W. Caswell at either (916) 653-0062 or by e-mail at jcaswell@energy.state.ca.us. The status of the project, copies of notices, an electronic version of the AFC, and other relevant documents are also available via the Energy Commission's Internet page at <http://www.energy.ca.gov/sitingcases/tesla/index.html>.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul C. Richins". The signature is fluid and cursive, with a large initial "P" and "R".

Paul Richins,
Energy Facilities Licensing Manager

Enclosure