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January 5, 2010

File No. 045049-0001

VIA FEDEX

CALIFORNIA ENERGY COMMISSION

Attn: Docket No. 08-AFC-08

1516 Ninth Street, MS-4

Sacramento, California 95814-5512

DOCKET

08-AFC-8

DATE JAN 05 2010

RECD. JAN 05 2010

Re: Hydrogen Energy California Project: Docket No. 08-AFC-08

Dear Sir/Madam:

Pursuant to California Code of Regulations, title 20, sections 1209, 1209.5, and 1210, enclosed herewith for filing please find Applicant's Status Report No. 3.

Please note that the enclosed submittal was filed today via electronic mail to your attention and served on all parties to the above-referenced project.

Very truly yours,



Paul E. Kihm
Senior Paralegal

Enclosure

cc: 08-AFC-08 Proof of Service List (w/encl., via e-mail and U.S. Mail)
Michael J. Carroll, Esq. (w/encl.)
Marc T. Campopiano, Esq. (w/encl.)

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STATE OF CALIFORNIA
ENERGY RESOURCES
CONSERVATION AND DEVELOPMENT COMMISSION

In the Matter of:) Docket No. 08-AFC-8
)
REVISED APPLICATION FOR)
CERTIFICATION) APPLICANT'S STATUS REPORT NO. 3
FOR THE HYDROGEN ENERGY)
CALIFORNIA PROJECT)
_____)

Pursuant to the Committee Scheduling Order issued on September 28, 2009, Applicant Hydrogen Energy International, LLC (Applicant) hereby files its Status Report No. 3 with respect to the Hydrogen Energy California Project (HECA).

Discovery

Applicant received California Energy Commission (CEC) Staff Data Request Set 1 on October 12, 2009. Certain objections and requests for additional time to respond were filed on November 2, 2009. Subject to the stated objections and requests for additional time, responses to the remainder of Data Request Set 1 were timely filed on November 12, 2009. On December 11, 2009, Applicant filed responses to Staff Data Requests 1, 2, 6 and 19, for which Applicant had requested an additional 30 days to respond. Applicant is in the process of preparing responses to the remainder of Staff Data Request Set 1.

Applicant received data requests from Intervener Association of Irrigated Residents on October 7, 2009. Certain objections were filed on October 27, 2009. Subject to the stated objections, responses to the remainder of AIR data Requests were timely filed on November 5, 2009.

Role of Division of Oil, Gas and Geothermal Resources in Permitting Process

On October 1, 2009, Applicant and Occidental of Elk Hills, Inc. (Oxy) jointly submitted a proposed Memorandum of Understanding to the staffs of the CEC and the California Department of Conservation, Division of Oil, Gas and Geothermal Resources (DOGGR) regarding the relative roles, responsibilities and procedures to follow in conducting a coordinated permitting and

environmental review of HECA and the Occidental of Elk Hills CO2 project. In subsequent discussions between the staffs of the two agencies, Applicant understands that DOGGR raised some questions and concerns regarding its role in the permitting process. Applicant and Oxy are in the process of attempting to resolve such questions and concerns with the CEC and DOGGR with an approach and within a timeframe that will keep the permitting process and project development on track and on schedule. The timely permitting and development of HECA are essential to the receipt of funding by the US Department of Energy (which is using monies appropriated under ARRA), and the successful completion of the project.

Public Outreach

- On December 4, 2009, Applicant and Oxy jointly hosted a tour of the HECA Information Center and Site and the Elk Hills Field for a contingent of federal, state and e-NGO stakeholders, including those from US Senate Energy & Natural Resources Committee, US EPA Air Office, California Department of Conservation, DOGGR, Natural Resource Defense Council, and Environmental Defense Fund.
- Throughout December 2009, Applicant met with California policy makers to provide an update on HECA status and the need for supportive low carbon power policy in the State. Individual policy makers included Chairmen of the Senate and Assembly Energy Committees, the Chairman of the California Air Resources Board, and the Energy Advisor to the California Governor's Office.
- Applicant participated in CCS Contact Group annual review and planning meeting for 2010 activities. The CCS Contact Group is a broad coalition of utilities, developers, oil and gas companies and NGOs has been an important forum for advancing regulatory approaches important to the project.
- Applicant began preparation on funding application to the Australia-based Global CCS Institute (GCCSI) with particular focus on funding stakeholder outreach and communication activities.
- On December 8, 2009, Applicant presented to 100 students and parents at the Elk Hills school in Tupman.
- HECA officially opened its Information Center in the town of Buttonwillow on December 16, 2009. The Center contains educational displays and videos about the project aimed at informing the local community about the details of HECA. Over 100 local community, business and government stakeholders attended this event. Moving forward it will be opened to the public on a regular basis.
- During December 2009, Applicant selected and delivered holiday contributions to local charities that provide social services to those in need in Kern County.

Other Important Developments

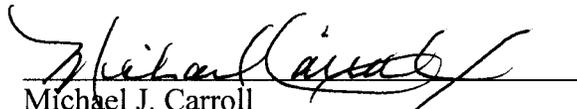
- On December 3, 2009 the California Public Utilities Commission unanimously approved Southern California Edison's application for rate recovery for their participation in the HECA feasibility study.
- Applicant entered into a water supply agreement with Buena Vista Water Storage District.

Schedule

The Revised Application for Certification ("AFC") was deemed data adequate on August 26, 2009. An Informational Hearing and Site Visit was held on September 16, 2009. As detailed above, the Parties are engaged in the discovery stage of the AFC process.

DATED: January 5, 2009

Respectfully submitted,


Michael J. Carroll
LATHAM & WATKINS LLP
Counsel to Applicant

**STATE OF CALIFORNIA
ENERGY RESOURCES
CONSERVATION AND DEVELOPMENT COMMISSION**

In the Matter of:)	Docket No. 08-AFC-08
)	
APPLICATION FOR CERTIFICATION, FOR THE HYDROGEN ENERGY CALIFORNIA PROJECT BY HYDROGEN ENERGY INTERNATIONAL, LLC)	PROOF OF SERVICE
)	(September 3, 2009)
)	
)	

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HYDROGEN ENERGY CALIFORNIA PROJECT
CEC Docket No. 08-AFC-08

INTERESTED AGENCIES

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HYDROGEN ENERGY CALIFORNIA PROJECT
CEC Docket No. 08-AFC-08

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DECLARATION OF SERVICE

I, Paul Kihm, declare that on January 5, 2010, I served and filed copies of the attached:

APPLICANT'S STATUS REPORT NO. 3

to all parties identified on the Proof of Service List above in the following manner:

California Energy Commission Docket Unit

- Transmission via electronic mail and by depositing one copy with FedEx overnight mail delivery service at Costa Mesa, California, with delivery fees thereon fully prepaid and addressed to the following:

CALIFORNIA ENERGY COMMISSION

Attn: DOCKET NO. 08-AFC-08
1516 Ninth Street, MS-4
Sacramento, California 95814-5512
docket@energy.state.ca.us

For Service to All Other Parties

- Transmission via electronic mail to all email addresses on the Proof of Service list; and
- by depositing one paper copy with the United States Postal Service via first-class mail at Costa Mesa, California, with postage fees thereon fully prepaid and addressed as provided on the Proof of Service list to those addresses **NOT** marked "email preferred."

I further declare that transmission via electronic mail and U.S. Mail was consistent with the requirements of California Code of Regulations, title 20, sections 1209, 1209.5, and 1210.

I declare under penalty of perjury that the foregoing is true and correct. Executed on January 5, 2010, at Costa Mesa, California.


Paul Kihm