


CALIFORNIA ENERGY COMMISSION

1516 NINTH STREET
SACRAMENTO, CA 95814-5512

March 19, 2008

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TO: AGENCY DISTRIBUTION LIST

REQUEST FOR AGENCY COMMENTS ON THE FINAL STAFF ASSESSMENT FOR THE VICTORVILLE 2 HYBRID POWER PROJECT (07-AFC-1)

The enclosed Final Staff Assessment (FSA) contains the California Energy Commission staff's engineering and environmental evaluation of the Victorville 2 Hybrid Power (Victorville 2) project. Staff concludes that the Victorville 2 project would comply with all applicable laws, ordinances, regulations and standards (LORS) except for obtaining verification from the Federal Aviation Administration (FAA) that the project would not cause a hazard to air navigation. FAA's determination is still pending. Staff also concludes the project would avoid significant adverse direct, indirect or cumulative impacts. Staff's conclusions are contingent on its recommended conditions of certification being adopted in the Energy Commission's Final Decision. The most significant issues are summarized as follows:

- **Biology** – The project would impact three special-status animal species known to occur on the site or in the project vicinity and their habitat including desert tortoise, Mohave ground squirrel and burrowing owl, and could disturb special-status plants if found during surveys that need to be conducted during spring 2008 and prior to ground disturbance. Staff also believes it is likely a unique and protected plant assemblage, creosote bush rings greater than or equal to ten feet in diameter, occur onsite and would be impacted during clearing activities. Staff and California Department of Fish and Game (CDFG) have recommended that the project mitigate impacts to these animal and unique plant assemblages by implementing various management measures and by preserving habitat deemed suitable for these species by experts familiar with the species and their habitat needs at a 3:1 ratio. The applicant has proposed habitat compensation at a 1:1 ratio, and has identified lands that staff and the CDFG believe are not suitable habitat for all the affected species. These issues must be resolved before the Energy Commission licenses the project. In addition, staff recommends that the applicant continue to develop its Translocation Plan for desert tortoise in consultation with U.S. Fish and Wildlife Service, CDFG, and the Energy Commission, and be required to obtain staff approval of the plan prior to initiating construction.
- **Cultural Resources** – Additional archaeological surveys must be completed on five parcels on the main plant site. Staff recommends adoption and implementation of a mitigation measure requiring a post-certification, pre-construction archaeological survey, testing, and data recovery plan as a means of identifying, assessing, and mitigating, if necessary, the project's potential impacts to not-yet-identified archaeological resources possibly present on the five un-surveyed parcels.
- **Traffic and Transportation** – The Victorville 2 project would be consistent with the Circulation Element in the city of Victorville General Plan and all other applicable state and local LORS related to traffic and transportation. However, two FAA consistency determinations indicating whether the project would pose a hazard to navigable air space have not been issued to date. These would address the impact of the two Heat Recovery Steam Generator exhaust stacks on aircraft operations at the Southern California Logistics Airport (SCLA). While staff has concluded that it

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does not believe these structures would pose a hazard to navigable air space, staff cannot conclude that the project would conform to the FAA LORS until it receives the FAA determinations.

The FSA contains the California Energy Commission staff's final environmental and engineering evaluation of the Victorville 2 project and will serve as staff's testimony during evidentiary hearings. The Energy Commission Committee assigned to the Victorville 2 proceedings will consider and weigh the testimony, comments, or recommendations of all interested parties, including Energy Commission staff, the applicant, intervenors, public, and other local, state, and federal agencies, before issuing the Presiding Member's Proposed Decision (PMPD) for consideration by the full Energy Commission. The public, intervenors, local, state and federal agencies are encouraged to participate in these hearings.

We request that you review the enclosed FSA for the areas for which your agency would normally be responsible but for the Energy Commission's permitting authority. Please provide any written comments to John Kessler, Siting Project Manager by March 28, 2008. You may also present your comments at the Evidentiary Hearing scheduled for April 3, 2008 at the Southern California Logistics Airport as announced in a separate notice. Energy Commission staff will consider comments received and may prepare supplemental testimony or errata as appropriate.

If you desire information on technical or project schedule issues, or how to participate in the Energy Commission's review of the project, your questions should be directed to John Kessler at (916) 654-4679 or at jkessler@energy.state.ca.us The status of the project, an electronic copy of the AFC, copies of notices, and other relevant documents are also available on the Energy Commission's web site at <http://www.energy.ca.gov/sitingcases/victorville2>.

Sincerely,



Eileen Allen
Siting and Compliance Office Manager

Enclosure