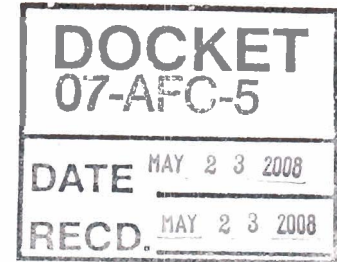


Memorandum

Date: May 23, 2008
Telephone: (916) 651-0965

To: Commissioner Jeffrey Byron, Presiding Member
Commissioner James D. Boyd, Associate Member

From: California Energy Commission – Che McFarlin, Project Manager
1516 Ninth Street
Sacramento, CA 95814-5512



Subject: **STATUS REPORT #2**
IVANPAH SOLAR ELECTRIC GENERATING SYSTEM (07-AFC-5)

The following is staff's Status Report #2 for the proposed Ivanpah Solar Electric Generating System (ISEGS) project. The Bureau of Land Management (BLM) and California Energy Commission staffs are continuing to gather information resulting in data requests.

Milestones Since Status Report #1

Staff continues to coordinate a number of activities to facilitate the discovery and analysis phase of the Application for Certification (AFC) review as follows:

- March 25-26, 2008 – Staff traveled to BLM's Needles field office and project site for a coordination meeting and site review.
- May 8, 2008 – After review of Data Response Sets 1A-1C staff provided the applicant with additional data requests (#117-151) in the areas of air quality, alternatives, biological resources, closure and restoration plan, cultural resources, project description, soil and water resources, and visual resources. In addition staff provided comments on the draft Biological Assessment which will be submitted to the United States Fish and Wildlife Service by BLM.

Outstanding Issues

- a) The applicant believes that the proposed project represents a net air emissions reduction to the environment. Therefore, the applicant has not proposed an air emission offset package or mitigation measures related to the three natural gas-fired boilers. Staff is reviewing the response provided in the applicant's 'Set 1D Data Responses', in light of the need to determine whether air emissions will result in a significant impact.
- b) Due to site specific drainage and erosion concerns staff continues to provide direction to the applicant for preparation of a draft Drainage, Erosion, and Sedimentation Control Plan. Complete site design information is a necessary requirement of the BLM to adequately assess impacts of the project.
- c) The joint agency staffs are continuing development of a Visual Resource Management (VRM) system for the project's visual setting with the intent that it will satisfy both NEPA and CEQA. The VRM system is used by BLM to determine whether a proposed project would result in a significant impact.
- d) Due to changes to the project description described in 'Set 1D Data Responses', as well as the low amount of rainfall in 2006 and 2007, the applicant is in the process of completing

the biological and cultural field surveys so staff can complete their preliminary analysis of the potential for significant biological and cultural impacts.

- e) The degree of participation and input or products needed from the U.S. Army Corps of Engineers, the California Department of Fish and Game, and the Lahontan Regional Water Quality Control Board needs to be clarified. Staff has initiated discussions with these agencies.

Data Responses and Expansion of the Project Footprint

- May 9, 2008 – Applicant filed ‘Set 1D Data Responses’ which included several project changes collectively referred to as an “optimized” project design. Given the scope of the project changes staff will be distributing this material to those agencies and individuals on the project’s mailing lists.
- The “optimized” project design expands the project footprint from 3,400 acres to 3,700 acres. This extra area is needed to accommodate changes to several project features the most notable of which is a reduction in the number of power towers from 3 towers to 1 central tower in the Ivanpah 1 and 2 units. This single tower design requires that the site perimeter be moved out 250 feet in each direction. The footprint has also been expanded to accommodate fabrication facilities as well as an additional temporary construction area.

Pending Data Requests

‘Set 1D Data Responses’ provided information for some of the outstanding Round #1 Data Requests (1-116). Staff is currently evaluating these responses. The following is a list of incomplete data responses or Round #1 data requests to which no response has yet been received. Responses to Round #2 Data Requests (117-151) are due June 9, 2008.

1. Biological Resources: 18,19,20,21,22,24,25,29,30,31
2. Cultural Resources: 33,37,40,41
3. Land Use: 51,52
4. Soils and Water Resources: 53,58
5. Traffic and Transportation: 88
6. Transmission System Engineering: 92,93
7. Visual Resources: 105,106

Other Coordination Activities

- June 23-26, 2008 – The Bureau of Land Management and Energy Commission teams will conduct a Data Response Issue Resolution workshop to resolve questions and issues related to data responses at this workshop.

Schedule

At this time, given the incomplete responses to data requests, staff believes it cannot maintain the schedule as issued by the Committee in its order dated January 28, 2007. It is the goal of both agencies to work as quickly and efficiently as possible to complete our review of the ISEGS AFC and meet the necessary regulatory requirements for both NEPA and CEQA for the proposed project.

The joint agency staffs intend to gather sufficient information at the June workshop to develop a publication schedule for the Preliminary Staff Assessment/Draft Environmental Impact Statement (PSA/DEIS) document.

cc: Docket (07-AFC-5)
Proof of Service List

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

APPLICATION FOR CERTIFICATION
FOR THE *IVANPAH SOLAR ELECTRIC
GENERATING SYSTEM*

DOCKET NO. 07-AFC-5

PROOF OF SERVICE
(Revised 4/1/08)

INSTRUCTIONS: All parties shall 1) send an original signed document plus 12 copies OR 2) mail one original signed copy AND e-mail the document to the web address below, AND 3) all parties shall also send a printed OR electronic copy of the documents that shall include a proof of service declaration to each of the individuals on the proof of service:

CALIFORNIA ENERGY COMMISSION
Attn: Docket No. 07-AFC-5
1516 Ninth Street, MS-14
Sacramento, CA 95814-5512
docket@energy.state.ca.us

APPLICANT

Solar Partners, LLC
John Woolard, Chief Executive Officer
Alicia Torre, Project Manager
1999 Harrison Street, Suite #500
Oakland, CA 94612
ATorre@BrightSourceEnergy.com

Steve De Young
Ivanpah solar Electric Generating System
Project Manager
4155 Arbolado Drive
Walnut Creek, CA 94598
steve4155@astound.net

APPLICANT'S CONSULTANTS

John L. Carrier, J. D.
2485 Natomas Park Dr. #600
Sacramento, CA 95833-2937
jcarrier@ch2m.com

COUNSEL FOR APPLICANT

Jeffrey Harris
Ellison, Schneider & Harris L.L.P.
Attorneys at Law
2015 H Street
Sacramento, CA 95814-3109
jdh@eslawfirm.com

INTERESTED AGENCIES

Larry Tobias
Ca. Independent System Operator
151 Blue Ravine Road
Folsom, CA 95630
LTobias@caiso.com

Tom Hurshman, Project Manager
Bureau of Land Management
2465 South Townsend Ave.
Montrose, CO 81401
tom_hurshman@blm.gov

Sterling White, Field Manager
Bureau of Land Management
Needles Field Office
1303 South Highway 95
Needles, CA 92363
Sterling_White@blm.gov

INTERVENORS

California Unions for Reliable Energy ("CURE")
Tanya A. Gulesserian
Marc D. Joseph
Adams Broadwell Joseph & Cardozo
601 Gateway Boulevard, Suite 1000
South San Francisco, CA 94080
tgulesserian@adamsbroadwell.com

ENERGY COMMISSION

JEFFREY D. BYRON
Commissioner and Presiding Member
jbyron@energy.state.ca.us

JAMES D. BOYD
Commissioner and Associate Member
jboyd@energy.state.ca.us

Paul Kramer
Hearing Officer
pkramer@energy.state.ca.us

* Che McFarlin
Project Manager
Cmcfarli@energy.state.ca.us

Dick Ratliff
Staff Counsel
dratliff@energy.state.ca.us

Public Advisor
pao@energy.state.ca.us

DECLARATION OF SERVICE

I, Maria Sergoyan, declare that on May 23, 2008, I deposited copies of the attached Ivanpah Solar Electric Generating System Status Report #2 in the United States mail at Sacramento, California with first-class postage thereon fully prepaid and addressed to those identified on the Proof of Service list above.

OR

Transmission via electronic mail was consistent with the requirements of California Code of Regulations, title 20, sections 1209, 1209.5, and 1210. All electronic copies were sent to all those identified on the Proof of Service list above.

I declare under penalty of perjury that the foregoing is true and correct.


Maria Sergoyan