

CALIFORNIA ENERGY COMMISSION

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SACRAMENTO, CA 95814-5512
www.energy.ca.gov



Thomas Schwab, City Manager
City of Grand Terrace
22795 Barton Road
Grand Terrace, CA 92313-5295

DOCKET 06-AFC-2	
DATE	MAY 0 4 2007
RECD.	MAY 0 4 2007

May 4, 2007

Dear Mr. Schwab,

Thank you for your letter of April 4, 2007, regarding the AES Highgrove Application for Certification and the schedule of events going forward. I will attempt to provide additional information as I answer the points of your letter.

You inquired whether another informational meeting could be held:

We will not schedule an additional information-only meeting as other opportunities will occur that accomplish this within the context of the Energy Commission process. There have been three noticed meetings already, two with evening sessions, held for the project. One of these was in Highgrove, and the other two were at the Grand Terrace City Offices. We are expecting that AES Highgrove, the applicant, will soon submit a supplemental filing for which we will schedule a workshop in Grand Terrace. I will ensure that we have an evening session for the workshop which will allow working members of the community to attend, ask questions and provide comments. I would hope this will provide an opportunity for the community, and any City staff or Council members to attend and ask questions. This will be an opportunity to hear from the public, and to address any questions to the Energy Commission for consideration.

You requested a 45 day advance notice be provided if at all possible:

Our noticing requirements are stated in the Rules of Practice and Procedure Title 20, Chapter 5, section 1710. Regarding workshops and other activities "... notices shall, to the extent possible, be mailed at least fourteen (14) days in advance, and in no case less than ten (10) days in advance."

This policy works well with the schedule of events for the Energy Commission's Application for Certification (AFC) process, which designates the steps to be taken by each of the parties, including timelines for specific steps. The entire process is designed to occur within the space of twelve (12) months, although various circumstances have altered this timeline for the Highgrove Project. Once the process is initiated, there is not enough time between the required steps, which include workshops, document preparation and publication, for a 45-day advance noticing.

PROOF OF SERVICE (REVISED 5/4/07) FILED WITH 05/04/07
 ORIGINAL MAILED FROM SACRAMENTO ON

We do publish notices for some events in the media, though I understand that newspapers that are widely read in Grand Terrace and vicinity publish on only a bi-weekly basis. We develop, and continue to add to, mailing lists of property owners, interested persons, and agencies. We encourage the City and libraries to post notices in advance of meetings.

We would, however, be very interested in any suggestions from the City that would ensure that our notices reach people with adequate time to plan for participation. I will continue to work with the Energy Commission's Public Adviser's Office and the Media Office in this regard.

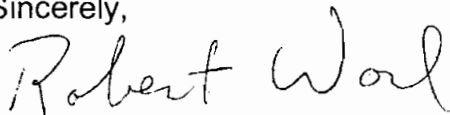
Certain projects, including the Highgrove Project, have been delayed by the South Coast Air Quality Management District's (District) efforts to complete a rulemaking process that allows access to their Priority Reserve Program to power plant developers. The District's process has occupied nearly a year. The District expects to complete its rule-making process soon and we expect that the AFC process by the Energy Commission will again follow a normal process schedule.

Your letter also requested information regarding the publication of the Air District's Preliminary Determination of Compliance (PDOC), and the potential date of publication of the Energy Commission's Preliminary Staff Assessment (PSA).

The District has indicated to us that it is not planning to issue any PDOCs prior to completing its actions to amend the Priority Reserve Rule 1309.1, governing the Priority Reserve Fund. This Fund may be the source of the bulk of the emission reduction credits for power generation projects within Southern California. Presently, this action is scheduled for July 13, 2007. We would expect that the PDOC would be issued after that date. The PDOC is a critical document for the Energy Commission staff's completion of the PSA, often issued approximately 45 days after the PDOC. At present we do not have any firm dates or narrow range of dates for either document.

We will provide you with updated information regarding the schedule for the AES Highgrove Project when we receive additional information. Please, contact me should you have additional questions or concerns.

Sincerely,

A handwritten signature in cursive script that reads "Robert Worl".

Robert Worl, Project Manager

Cc: Highgrove Project POS

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

APPLICATION FOR CERTIFICATION
FOR THE AES HIGHGROVE
POWER PLANT PROJECT

Docket No. 06-AFC-2
PROOF OF SERVICE
(Revised 4/23/07)

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. 06-AFC-02
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DECLARATION OF SERVICE

I, Joann Gonzales, declare that on May 4, 2007, I deposited copies of the attached Letter to Thomas Schwab, City of Grand Terrace, in the United States mail at Sacramento, CA 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.

Original signed by _____
JOANN GONZALES
Siting Division