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DEPARTMENT OF FISH AND GAME Inland Deserts Region (R6), North 407 W. Line Street, Room #1 Bishop, CA 93514 760.872.1171 www.dfg.ca.gov

July 8, 2009

Mr. Steve De Young Director, Environmental Health and Safety 1999 Harrison Street, Suite 2150 Oakland, CA 94612

John Carrier CH2MHill 2485 Natomas Park Drive, Suite 600 Sacramento, CA 95833

Subject: Status of Notification of Lake or Stream Alteration (LSA) Notification for the

Ivanpah Solar Electric Generating System Project

Dear Mr. Young and Mr. Carrier:

On June 2, 2009, the Department of Fish and Game ("Department") and California Energy Commission (CEC) received your Notification of Lake or Stream Alteration ("Notification"). The Department and CEC have determined that because your project may substantially adversely affect existing wildlife resources, including the desert tortoise and numerous other plant and wildlife resources as identified in the project Preliminary Staff Assessment (PSA), a LSA Agreement will be required. Both agencies will continue their joint effort to review and complete your LSA Agreement so as to incorporate the required conditions and mitigation in the Final Staff Assessment/Final Environmental Impact Statement (FSA/FEIS), which will meet permitting requirements as a final LSA Agreement.

Since receipt of your initial Notification, you also filed on June 9, 2009 "Supplemental Data Response Set 2G" which revised the estimate of impacts to waters of the State from 6.06 acres to 37.66 acres. In the past few months you have also submitted a revised project description (Data Response Set 2I) and a series of technical memos modeling the effects of storm water on the project site and to areas downstream of the project. The United States Bureau of Land Management (BLM) reviewed your storm water modeling and concluded that the hydrology within the site will change due to the project, and changes to the ground and vegetation would result in a higher rate of storm water runoff than the pre-developed condition. The Department will also be evaluating these recent submittals, and intends to work with CEC, BLM, and the California Regional Water Quality Control Board, Lahontan Region, to explore mitigation options that address the effects of the increased storm water discharge rates, while minimizing impacts to waters of the State on the site and at downstream locations.

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Our review and analysis may influence the schedule for processing of your draft and final LSA agreement.

However, recognizing you have provided a significant amount of updated information which allows further review of your project impacts to area streams, the Department and CEC are in concurrence to grant your request to prepare a "Long-term agreement" and continue to work cooperatively with you and all involved on the draft conditions for the FSA/DEIS and your draft LSA Agreement. As this is a "Long-term" agreement, the Department and CEC may take longer than 30 days to determine if the notification is complete and longer than 60 days to issue a draft agreement after it receives a complete notification. Your final LSA Agreement and its specific length of term greater than five years will not be issued until adoption of the FSA/FEIS; the FSA/FEIS also being required to consider your LSA Notification as complete.

The Department and CEC at present believe the "Current Schedule...", as outlined in the CEC's Status Report #10 filed on June 26, 2009, for the FSA/DEIS and FSA/FEIS provide a representative time-frame for completion of your draft and subsequent final LSA agreement conditions and mitigation.

If you have any questions regarding this matter, please don't hesitate to get in touch with your CEC contacts, or to give me a call at (760) 872-1129.

Sincerely, Same lummy

Bruce Kinney, Deputy Regional Manager

Inland Deserts Region

cc: John Kessler, California Energy Commission
George Meckfessel, Bureau of Land Management
Linda Stone, California Regional Quality Control Board, Lahontan Region

Tonya Moore, Sr. Environmental Scientist