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February 3, 2010

Paul Kramer Hearing Officer Ivanpah Solar Project (07-AFC-5) 1516 Ninth Street Sacramento, CA 95814

Dear Hearing Officer Kramer:

As you know, there were some very fruitful and intriguing discussions on the last days of the Commission's Evidentiary Hearings for the Ivanpah Solar Project on the myriad of complex issues associated with Alternatives, and the related topics of Biological Resources and Visual Resources.

The written and oral testimony of the Staff and Intervenors focused heavily on the impacts associated with Ivanpah 3, the northernmost, nominal 200 MW plant. For example, the Staff and Intervenors have stated that Ivanpah 3 contains more rare plants and ephemeral washes than the Ivanpah 1 and Ivanpah 2 sites. Given this focus by the other Parties, the Applicant has, since the close of Evidentiary Hearings, continued to exercise due diligence by examining reduced footprint configurations to offer further mitigation addressing these concerns.

Based upon this due diligence review, the Applicant has identified a reduced footprint configuration that merits further consideration by the Commission and the BLM, focusing on the project area of most concern to the Parties, Ivanpah 3. The Applicant's reduced footprint configuration for Ivanpah 3 has come to be known during our due diligence review as the "Mitigated Ivanpah 3" configuration or "Mitigated 3."

While the Applicant continues to believe that the impacts associated with the nominal 200 MW Ivanpah 3 plant are reduced to a level of less than significant with the mitigation proposed in our testimony, the Mitigated 3 configuration provides numerous additional environmental benefits, and further avoids and minimizes potential impacts. Among the more important benefits, the Mitigated 3 configuration would:

• Further avoid and minimize potential impacts to Desert Tortoise;

Paul Kramer February 3, 2010 Page 2

- Further avoid and minimize potential impacts to rare plants by completely avoiding the most densely populated plant communities in the northernmost portions of Ivanpah 3;
- Further avoid and minimize the potential impacts to a significant number of large ephemeral washes located in the northernmost portions of Ivanpah 3, simplifying the Low Impact Design's objectives of allowing stormwaters to flow through the project site;
- Further avoid and minimize potential impacts to the northernmost areas that would have required the most grading and large rock removal;
- Reduce the number of power towers from five towers to just one tower, a significant reduction from a Visual Resources perspective; and thereby,
- Further avoid and minimize the potential Visual Resources impacts associated with glare and reflectivity.

We are expediting the preparation of a filing that will explain the substantial mitigation benefits of the Mitigated 3 configuration. We intend to file this document with both the Commission and the BLM before the close of the comment period on the BLM's Draft Environmental Impact Statement on February 11, 2010.

Concurrent with that filing, the Applicant also anticipates filing a request to re-open the California Energy Commission's evidentiary record to introduce the Mitigated 3 configuration into evidence. We will recommend that the Committee allow an appropriate period to comment on the Mitigated 3 configuration. Because the Mitigated 3 configuration will reduce potential impacts within the existing project footprint, we will request that the Mitigated 3 configuration be received into evidence by stipulation, followed by a 14 day comment period. If, however, any party contests the introduction of the proposal into evidence by stipulation, we would anticipate the need for only one day of additional Evidentiary Hearings on the proposed Mitigated 3 configuration.

The only substantive issues that are significantly impacted by the proposed Mitigated 3 configuration are Biological Resources and Visual Resources, and even here the reductions in potential environmental impacts are decidedly positive. Therefore, we recommend that the Commission continue on the current briefing schedule for all subjects other than Biological Resources and Visual Resources.

For Biological Resources and Visual Resources, in order to allow all parties to brief these issues in the context of the Mitigated 3 configuration, we recommend that the Committee extend the deadline for opening briefs on these issues to 14 days after the close of the comment period on the Mitigated 3 configuration, or ten days after publication of the transcript for the Evidentiary Hearing on the Mitigated 3 configuration, whichever comes last. We recommend that the Committee also extend the deadline for the Reply Briefs on these two subjects to 10 days after the submittal of Opening Briefs on these two subjects. Paul Kramer February 3, 2010 Page 3

Closing the Hearing Record in this proceeding on January 14, 2010 was a significant milestone, one for which the Applicant is grateful. In recognition of the significance of this important milestone, Applicant's due diligence work since the close of Evidentiary Hearings has endeavored to avoid the need to re-open the Hearing Record for any purpose, no matter how limited. Nevertheless, the Applicant firmly believes that the refined configuration will offer such substantial benefits in the form of mitigation that merit a limited reopening of the record. By directly addressing and potentially resolving the concerns of many parties, the Mitigated 3 configuration may ultimately reduce areas of controversy and expedite the conclusion of this proceeding.

We thank the Committee, BLM and all of the parties for their hard work to date. We look forward to bringing these proceedings to an expeditious and thoughtful close to allow construction of this important project to commence in time for the fall 2010 Desert Tortoise relocation window.

Sincerely,

Ellison, Schneider & Harris L.L.P. Jeffery D. Harris Greggory L. Wheatland Attorneys for the Applicant

STATE OF CALIFORNIA

Energy Resources Conservation and Development Commission

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Application for Certification for the IVANPAH SOLAR ELECTRIC GENERATING SYSTEM

Docket No. 07-AFC-5

PROOF OF SERVICE

I, Karen A. Mitchell, declare that on February 3, 2010, I served the attached Letter to

Paul Kramer regarding Mitigated Ivanpah 3 via electronic and U.S. mail to all parties on the attached service list.

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

Karen A. Mitchell

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