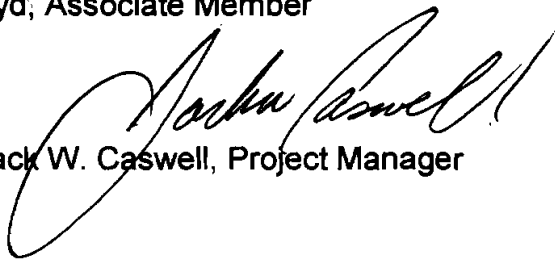


Memorandum

Date: October 15, 2007
Telephone: (916) 653-0062

DOCKET	
06-AFC-9	
DATE	OCT 15 2007
RECD.	OCT 15 2007

To: Commissioner John L. Geesman, Presiding Member
Commissioner James D. Boyd, Associate Member



From: California Energy Commission – Jack W. Caswell, Project Manager
1516 Ninth Street
Sacramento, CA 95814-5512

Subject: **COLUSA GENERATING STATION (06-AFC-9) STATUS REPORT #3**

Pursuant to the Committee Status Report Order dated September 27, 2007, the following is staff's Status Report #3 for the proposed Colusa Generating Station (CGS). As a result of the Preliminary Staff Assessment (PSA) workshop, data requests, data responses and the applicant's changes to the Glenn-Colusa Canal Bridge location and design, staff is submitting the following information.

FINAL STAFF ANALYSIS COORDINATION ACTIVITIES

- Air Quality – All information requested by staff at the PSA workshop and in data requests has been provided by the applicant and staff has completed its Air Quality analysis for the CGS project.
- Land Use – The Colusa County Board of Supervisors has approved the applicant's request for land use amendments to the county's general plan, zoning, and height variance for the CGS project. As a result of the county's actions and responses to staff's informational requirements for land use, staff has now completed its land use analysis for the proposed project.
- Water Transfer Agreement – In a vote by the Colusa County Board of Supervisors on October 2, 2007, the final agreement for the transfer of water to the proposed project was completed. This 3-party water transfer agreement provided staff with the requested information as identified in the PSA workshop and Data Requests. However, staff is waiting for responses to staff's September 20, 2007, data requests regarding the work required for the new Glenn-Colusa Canal Bridge redesign and location.
- Worker Safety and Fire Protection/Hazardous Materials – The Maxwell Fire Protection District (MFPD) and the CGS applicant have been unable to agree to proposed mitigation measures as a result of the proposed project impacts. The CGS-proposed mitigation measures suggested to the fire protection district were provided to the Energy Commission in a supplemental document filed on

PROOF OF SERVICE (REVISED 8/22/07) FILED WITH
ORIGINAL MAILED FROM SACRAMENTO ON 10/15/07
FF

September 19, 2007. Staff does not anticipate progress on this issue. In agreement with the Fire Protection District and CGS applicant, staff has completed its FSA technical sections for Worker Safety & Fire Protection and Hazardous Materials. Staff has no recommendation on how the costs associated with the project impacts can be resolved. Both technical areas have unresolved mitigation costs requested by the MFPD requiring the Committee's direction.

Pending Final Staff Assessment Information

The CGS applicant filed changes to the project description on August 17, 2007. The changes to the project focused on the relocation and redesign of the Glenn-Colusa Canal Bridge located on Dirks Road east of the proposed project site. The proposed changes to this bridge location and design are requiring additional review and evaluation of previous assumptions by the Commission staff, Army Corps of Engineers (ACE), and the United States Fish and Wildlife Service (USFWS). During consultation with the ACE and USFWS conducted on September 25, 2007, the federal agencies identified areas that would require additional analysis to be provided by the CGS applicant.

Staff filed data requests on September 20, 2007, requesting additional information on the Glenn-Colusa Canal Bridge redesign. The data requests were in the technical areas of: biological resources, cultural resources and soils and water resources. Staff has not received responses to the data requests but anticipates the response by October 19, 2007.

Agency Coordination

The USFWS is requesting a Revised Biological Assessment (RBA) be submitted by the CGS applicant for further evaluation prior to being accepted as complete by the USFWS. This information request by the USFWS will require evaluation by the Commission staff as well. Currently, the applicant and USFWS are unable to provide dates to Commission staff for the filing of the requested information or when the USFWS will accept the RBA as complete. Staff will work toward resolving the information requirements identified by the USFWS with the CGS applicant.

As a result of the bridge redesign impacts to the Glenn-Colusa Canal, the ACE will now evaluate the proposed bridge project and issues and consider a 404 permit application for the proposed work that would occur within the canal water flow. The ACE requires a notice for the proposed project to be published for public review for a 30 day comment period. This comment period must be completed before the ACE will provide comments on the anticipated impacts of the bridge redesign and location to Commission staff. Staff requires some level of assurance that the proposed work can occur under the federal ACE permit process or an early indication of any issues that the ACE can identify. Staff is working with the CGS applicant and the ACE in order to get some indication of potential issues or areas of concern that could delay or affect this proposed project change.

Commissioner John L. Geesman, Presiding Member
Commissioner James D. Boyd, Associate Member
October 15, 2007
Page 3

SCHEDULE

Staff is currently working on preparing the FSA. Due to the project's recent bridge-related change, pending information mentioned above and the large number of siting projects at the Energy Commission, staff will be delayed in the publication of the FSA. Staff's current estimated timeframe for release of the FSA is mid November 2007, this date could be affected by any delays in the USFWS and ACE review of the new Glenn-Colusa Canal Bridge design. The development and publication of the Final Staff Assessment will depend on the applicant's ability to resolve the issues identified above and submittal of all required final information and documents in a timely manner.

cc: Docket (06-AFC-9)
Proof of Service List

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

**APPLICATION FOR CERTIFICATION
FOR THE COLUSA GENERATING
STATION PROJECT**

**Docket No. 06-AFC-9
PROOF OF SERVICE
(REVISED 8/22/2007)**

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-9
1516 Ninth Street, MS-4
Sacramento, CA 95814-5512
docket@energy.state.ca.us

APPLICANT

Andy Welch, Vice President
Competitive Power Ventures,
8403 Colesville Rd, Suite 915
Silver Spring, MD 20910
awelch@cpv.com

APPLICANT'S CONSULTANTS

Dale Shileikis – URS
Vice President
221 Main Street, Suite 600
San Francisco, CA 94105-1917
dale_shileikis@urscorp.com

Mark Strehlow – URS
Senior Project Manager
1333 Broadway, Suite 800
Oakland, CA 94612
Mark_Strehlow@URSCorp.com

COUNSEL FOR APPLICANT

Mike Carroll - Latham & Watkins
Attorneys at Law
650 Town Center Drive, 20th Floor
Costa Mesa, CA 92626-1925
michael.carroll@lw.com

INTERESTED AGENCIES

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

Electricity Oversight Board
770 L Street, Suite 1250
Sacramento, CA 95814
esaltmarsh@eob.ca.gov

Stephen M. Hackney, Director
Colusa County
Department of Planning and Building
220 12th Street
Colusa, CA 95932
shackney@countyofcolusa.org
Harry Krug, APCO
Colusa County APCD
100 Sunrise Blvd. #F
Colusa, CA 95932-3246
hak@countyofcolusa.org

Steve Tuggle
Environmental Manager
Sierra Nevada Region
Western Area Power Administration
114 Parkshore Drive
Folsom, CA 95630
tuggle@wapa.gov

Mark Wieringa
Western Area Power Administration
12155 W. Alameda Parkway
P.O. Box 281213
Lakewood, CO 80228
wieringa@wapa.gov

INTERVENORS

Emerald Farms
c/o Allen L. Etchepare
P.O. Box 658
4599 McDermott Road
Maxwell, CA 95955
jme@efarmsmail.com
ale@efarmsmail.com

Pacific Gas and Electric Company
GalatiBlek LLP
555 Capitol Mall, Suite 600
Sacramento, CA 95814
sgalati@gb-llp.com
dwiseman@gb-llp.com

Pacific Gas and Electricity Company
c/o Andrea Grenier
Grenier & Associates, Inc.
1420 East Roseville Parkway, Suite 140-377
Roseville, CA 95661
andrea@agrenier.com

ENERGY COMMISSION

JOHN L. GEESMAN
Presiding Member
jgeesman@energy.state.ca.us

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

Susan Brown
Adviser to Commissioner Boyd
sbrown@energy.state.ca.us

Raoul Renaud
Hearing Officer
renaud@energy.state.ca.us

Jack Caswell
Project Manager
jcaswell@energy.state.ca.us

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

Public Advisor
pao@energy.state.ca.us

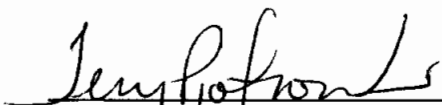
DECLARATION OF SERVICE

I, Terry Piotrowski, declare that on 10/15/07, I deposited copies of the attached Status Report #3 for the Colusa Generating Station 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.


Terry Piotrowski