

CALIFORNIA ENERGY COMMISSION

1516 NINTH STREET
SACRAMENTO, CA 95814-5512

April 17, 2012

DOCKET**11-AFC-2**DATE APR 17 2012RECD. APR 17 2012Clay Jensen, Senior Director
BrightSource Energy, Inc.
1999 Harrison Street, Ste. 2150
Oakland, CA 94612**RE: HIDDEN HILLS SOLAR ELECTRIC GENERATING SYSTEM (11-AFC-2), DATA REQUESTS, SET 2F (#'s 189-198)**

Mr. Jensen:

California Energy Commission staff seeks the information specified in the enclosed data requests. The information requested is necessary to: 1) more fully understand the project, 2) assess whether the facility will be constructed and operated in compliance with applicable regulations, and 3) assess whether the project will result in significant environmental impacts. These attached data requests are issued for "good cause" as the information requested is important to the sufficiency of Staff's CEQA analysis, would be responsive to comments received from Inyo County, and will be the subject of future workshops regarding fiscal impacts to Inyo County.

This set of data requests (Set 2F, #'s 189-198) is being made in the area of Socioeconomics. If you have any questions, please call me at (916) 654-4894 or email me at mike.monasmith@energy.state.ca.us.

Sincerely,

Mike Monasmith
Project Managercc: Docket (11-AFC-2)
Proof of Service ListPROOF OF SERVICE (REVISED 3/22/12) FILED WITH
ORIGINAL MAILED FROM SACRAMENTO ON 4/17/12
EKS

Technical Area: Socioeconomics

Author: Richard McCann

BACKGROUND: Fiscal Impact Analysis

Hidden Hills Solar Electric Generating System (HHSEGS) would both create new fiscal revenues for Inyo County (where the proposed plant is to be sited, built and operated) as well as new costs associated with providing project-related services and infrastructure. HHSEGS would provide increased property taxes, but a large proportion of the plant value would be exempt from these taxes under state law exempting solar power projects. The proposed project may provide increased sales taxes, but this depends on the designation of the “point of sale” and the ownership structure of the facility. In addition, the construction and operating activities would induce some increased economic activity within Inyo County, but this would depend on the proportion of sales and employment within the County versus neighboring (state and local) jurisdictions. On the cost side, the large construction labor force would require more public safety and related-County services. Also, the roads accessing the location would most likely require upgrading, and County road maintenance costs would also increase.

DATA REQUESTS

Data is therefore needed from the applicant in order for Staff to accurately determine what portion of property and sales tax revenues from the proposed project would be paid to Inyo County, and if those tax revenues would offset the anticipated increase in County costs associated with the construction and operation of HHSEGS. This data will also be used to help determine what level of County services may be required for the construction and operation of HHSEGS. Staff has made several informal requests of this data from the applicant (specifically consultants working for the applicant) without a response. In order for Staff to complete the fiscal analysis of HHSEGS, please provide the following information.

189. What will be the HHSEGS ownership structure during both the construction period, and subsequent operation period? Will it be similar to Ivanpah SEGS (Ivanpah), with a BrightSource Energy (BSE) affiliate constructing the plant (with an office location at the plant site) and then turning it over to another affiliate? If it will not be similar, what will be the structure, and in what political jurisdiction will the ownership and operation be listed?
190. Who will own the interconnection facilities (i.e. 230kV Switchyard) -- Valley Electric Association (VEA) or the applicant¹? What portion of the interconnection facilities as measured by the value of the facilities will be in California and Inyo County?

¹ Hidden Hills Solar I, LLC, and Hidden Hills Solar II, LLC (**applicant**), the wholly owned subsidiaries of Hidden Hills Solar Holdings, LLC, (their sole member) which is in turn a wholly owned subsidiary of BrightSource Energy, Inc. (BSE)

191. What will be the proportion of taxable non-solar property value in the project? What portion will be fixed non-generating structures, and what portion will be dual-use solar/thermal facilities?
192. Has BSE paid property tax of any amount on any component of its Ivanpah project? If so, how much was paid to San Bernardino County? Of any payment made on any component of Ivanpah (to any entity, including San Bernardino County) what proportion of the assessed total plant value was paid before application of the solar tax exemption?
193. Has the land at Ivanpah been reassessed by San Bernardino County (or any other entity) since construction activities commenced in 2010? If so, how much has the value per acre increased from Ivanpah's original purchase price (or lease agreements) with the Bureau of Land Management?
194. What will be the approximate purchase price (can be submitted under confidential cover if necessary) and where will be the exact purchase location of HHSEGS' large-scale generation equipment and HHSEGS' interconnection equipment for purposes of calculating sales and/or use taxes?
195. Will the applicant² be applying for a sales and/or use tax exemption under the State Treasurer's renewable technology program under Public Resources Code Section 26003 et al? Will the applicant be applying for any other tax exemptions (state or federal) for either the construction or operation of HHSEGS (including equipment, facilities, etc...)?
196. To which governmental entity and/or agencies has BSE paid (or is paying) sales and/or use taxes for any aspect or component of its Ivanpah project (i.e. State of California, San Bernardino County, etc.)?
197. What are BSE's plans for necessary improvements and ongoing maintenance to Tecopa Road (Old Spanish Trail Highway) and the Tecopa Road-Highway 160 interchange for delivering equipment to the proposed HHSEGS project site? Please be complete and specific in listing those plans so as they can be evaluated for comprehensiveness.
198. What are BSE's security plans for both the construction period and the operational period of HHSEGS?

² Hidden Hills Solar I, LLC, and Hidden Hills Solar II, LLC (**applicant**), the wholly owned subsidiaries of Hidden Hills Solar Holdings, LLC, (their sole member) which is in turn a wholly owned subsidiary of BrightSource Energy, Inc. (BSE)



BEFORE THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT
COMMISSION OF THE STATE OF CALIFORNIA
1516 NINTH STREET, SACRAMENTO, CA 95814
1-800-822-6228 – WWW.ENERGY.CA.GOV

**APPLICATION FOR CERTIFICATION
FOR THE *HIDDEN HILLS SOLAR ELECTRIC
GENERATING SYSTEM***

DOCKET NO. 11-AFC-2
PROOF OF SERVICE
(Revised 3/22/2012)

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*indicates change

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DECLARATION OF SERVICE

I, Elizabeth Stewart, declare that on April 17, 2012, I served and filed a copy of the attached (11-AFC-2) **HIDDEN HILLS SOLAR ELECTRIC GENERATING SYSTEM, DATA REQUESTS, SET 2F (#'s 189-198)**, dated April 17, 2012. This document is accompanied by the most recent Proof of Service list, located on the web page for this project at: [www.energy.ca.gov/sitingcases/hydrogen_energy/index.html].

The document has been sent to the other parties in this proceeding (as shown on the Proof of Service list) and to the Commission's Docket Unit or Chief Counsel, as appropriate, in the following manner:

(Check all that Apply)

For service to all other parties:

- Served electronically to all e-mail addresses on the Proof of Service list;
- Served by delivering on this date, either personally, or for mailing with the U.S. Postal Service with first-class postage thereon fully prepaid, to the name and address of the person served, for mailing that same day in the ordinary course of business; that the envelope was sealed and placed for collection and mailing on that date to those addresses **NOT** marked "e-mail preferred."

AND

For filing with the Docket Unit at the Energy Commission:

- by sending an electronic copy to the e-mail address below (preferred method); **OR**
- by depositing an original and 12 paper copies in the mail with the U.S. Postal Service with first class postage thereon fully prepaid, as follows:

CALIFORNIA ENERGY COMMISSION – DOCKET UNIT
Attn: Docket No. 11-AFC-2
1516 Ninth Street, MS-4
Sacramento, CA 95814-5512
docket@energy.state.ca.us

OR, if filing a Petition for Reconsideration of Decision or Order pursuant to Title 20, § 1720:

- Served by delivering on this date one electronic copy by e-mail, and an original paper copy to the Chief Counsel at the following address, either personally, or for mailing with the U.S. Postal Service with first class postage thereon fully prepaid:

California Energy Commission
Michael J. Levy, Chief Counsel
1516 Ninth Street MS-14
Sacramento, CA 95814
mlevy@energy.state.ca.us

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, that I am employed in the county where this mailing occurred, and that I am over the age of 18 years and not a party to the proceeding.

Original signed by
Elizabeth Stewart
Project Assistant