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April 15, 2013

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VIA EMAIL

The Honorable Andrew McAllister, Presiding Member
The Honorable Karen Douglas, Associate Member
Siting Project Committee
California Energy Commission
1516 Ninth Street
Sacramento, CA 95814



**Re: Huntington Beach Energy Project (Docket No. 12-AFC-02)
Applicant's Status Report (April 15, 2013)**

Dear Commissioners:

The Committee's March 7, 2013 Revised Committee Scheduling Order requires all parties to submit Status Reports on or before April 15, 2013 and "every six weeks thereafter." To that end, Applicant AES Southland Development, LLC submits this Status Report regarding the Application for Certification ("AFC") process for the Huntington Beach Energy Project ("HBEP").

I. STATUS SUMMARY, CURRENT ISSUES, AND ACTIVITIES

In Applicant's January 22, 2013 Status Report, Applicant reported the status of data requests and related workshops, and set forth a proposed schedule as of that date. Below, Applicant provides an update to each of those items.

A. Data Requests and Responses; Related Workshops

On February 15, 2013, Applicant responded to outstanding data requests related to Soil & Water Resources as well as provided follow-up responses to Intervenor Jason Pyle's data requests. In addition to these responses and those identified in Applicant's January 22nd Status Report, Applicant has responded to and docketed numerous responses and clarifications to informal requests from Staff. Further, Applicant has provided supplemental responses to inquiries from the South Coast Air Quality Management District's ("District") related to HBEP's pending air permit applications and such supplemental responses to the District's requests have also been provided to Commission Staff. On April 5, 2013, the Applicant, District Staff, and Commission



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Staff also discussed the appropriateness of previously-approved 3-year meteorological data for assessing HBEP's air quality impacts as opposed to using recently-issued (in final form on February 28, 2013) 5-year meteorological data along with other air dispersion modeling assumptions used by Applicant. As a result of this discussion, Applicant understands that Commission Staff will be issuing a data request requiring reassessment of the combined construction and operational air quality impacts submitted by Applicant on March 14, 2013. Applicant has already commenced this work and expects to provide a response during early May 2013, depending on receipt of the data request to confirm the understanding of the Commission Staff's request. Applicant does not expect the results of this effort to materially change the conclusions reached in its March 14, 2013 submittal that the project will not result in a significant air quality impact after the implementation of construction mitigation measures presented in the AFC.

Applicant is also required to provide a 1-hour nitrogen dioxide ("NO₂") national ambient air quality standard ("NAAQS") air dispersion modeling assessment to the District to fulfill the Prevention of Significant Deterioration demonstrations required under this pre-construction permitting program. This assessment requires the use of the 5-year meteorological data set and also requires the District to identify emission sources (not associated with the Applicant or HBEP) expected to cumulatively contribute to HBEP's 1-hour NO₂ impacts. The schedule for submittal of this assessment is dependent on the District's ability to compile and transmit the data necessary to complete this assessment. During the April 5th discussion, the District indicated that only one source (in addition to HBEP and the existing Huntington Beach Generating Station Units 1 and 2) should be included in this assessment. The District committed to facilitating the acquisition of the required data and the Applicant believes that the required data can be acquired within the next week or two and subsequently transmitted to Applicant. Applicant believes that once the District provides it with the required data, a complete submittal can be provided to the District within four weeks.

No workshops have been held since November 14, 2012 and Applicant does not anticipate the need for any additional workshops prior to Staff's publication of the Preliminary Staff Assessment ("PSA").

B. Impediments to the Current AFC Schedule

Applicant continues to work directly with the District to ensure timely responses to the District's inquiries for additional data and clarifications of same. The District has not yet issued a Preliminary Determination of Compliance ("PDOC"). Applicant previously expected the PDOC to be issued on or before May 15, 2013; however, based on the foregoing, Applicant now



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believes the PDOC will be issued on or about June 14, 2013. Because the PDOC is key to the publication of the PSA, Applicant understands it may be necessary for Staff to publish the PSA in two parts: Part A without the air quality section and Part B would include the air quality section after publication of the District's PDOC. If the Committee or Staff believes that publishing a two-part PSA would expedite the AFC proceeding, Applicant would not oppose this course of action.

In Applicant's January 22nd Status Report, Applicant expressed concerns to the Committee regarding the District's proposed Rule 1304.1. As of this date, the District has not adopted Rule 1304.1. Applicant is involved in the District's rulemaking process and will continue to keep this Committee apprised of the matter and any impact Applicant determines such rule may have on the HBEP AFC proceeding.

II. PROPOSED SCHEDULE

Below Applicant proposes a revised schedule based on the District's publication of the PDOC of June 14, 2013. This schedule is dependent on the on the District providing the required information to complete the 1-hour NO₂ NAAQS assessment.

| Action | Applicant's Proposed Schedule |
|--|--------------------------------------|
| Preliminary Determination of Compliance (PDOC) | 06/14/2013 |
| Preliminary Staff Assessment (PSA) Published | 07/02/2013 |
| PSA Workshop | 07/15/2013 |
| Comments on PSA | 08/02/2013 |
| Final Determination of Compliance (FDOC) | 08/16/2013 |
| Final Staff Assessment (FSA) Published | 09/01/2013 |



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III. CONCLUSION

Applicant is committed to providing, to the extent feasible, information that will assist Staff with moving the HBEP AFC process toward publication of a PSA as soon as is practicable.

Respectfully submitted,

A handwritten signature in black ink that reads "Melissa A. Foster". The signature is written in a cursive style with a large initial "M" and "F".

Melissa A. Foster

MAF:jmw

cc: Proof of Service List



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**APPLICATION FOR CERTIFICATION FOR THE
HUNTINGTON BEACH ENERGY PROJECT**

**Docket No. 12-AFC-02
PROOF OF SERVICE
(Revised 03/26/2013)**

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DECLARATION OF SERVICE

I, Judith M. Warmuth, declare that on April 15, 2013, I served and filed copies of the attached Applicant's Status Report dated April 15, 2013. This document is accompanied by the most recent Proof of Service, which I copied from the web page for this project at: http://www.energy.ca.gov/sitingcases/huntington_beach_energy/index.html.

The document has been sent to the other parties on the Service List above in the following manner:

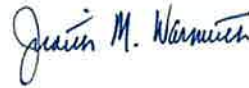
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I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that I am over the age of 18 years.

Dated: April 15, 2013



Judith M. Warmuth