

CALIFORNIA ENERGY COMMISSION1516 NINTH STREET
SACRAMENTO, CA 95814-5112

June 5, 2009

DOCKET**08-AFC-13**

DATE JUN 05 2009

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**TO: AGENCY DISTRIBUTION LIST****REQUEST FOR AGENCY PARTICIPATION IN THE REVIEW OF THE SES SOLAR ONE PROJECT, DISTRIBUTION OF APPLICATION FOR CERTIFICATION SUPPLEMENT (08-AFC-13)**

On December 1, 2008, Stirling Energy Systems Solar Three, LLC and Stirling Energy Systems Solar Six, LLC, (SES Solar, LLC) submitted an Application for Certification (AFC) to the California Energy Commission to develop the Stirling Engine Systems Solar One Project (SES Solar One Project) on public land managed by the Bureau of Land Management (BLM) in San Bernardino County, California. On April 6, 2009, a Supplement to the AFC was received and evaluated by staff. Subsequently, at the Energy Commission's May 6, 2009 Business Meeting, the AFC was deemed complete, beginning staff's analysis of the proposed project.

The proposed SES Solar One Project would be a nominal 850-megawatt (MW) Solar Stirling Engine project located on 8,230 acres of public land managed by the Bureau of Land Management. The project site is immediately north of Interstate 40 approximately 115 miles east of Los Angeles and 37 miles east of Barstow, California in a primarily open area of undeveloped land within the Mojave Desert. The SES Solar One site is located south of the Cady Mountain Wilderness Study Area (WSA) and north of the Pisgah Crater, which is located within the BLM-designated Pisgah Area of Critical Environmental Concern (ACEC).

The primary equipment for the generating facility would include approximately 34,000, 25-kilowatt solar dish Stirling systems (referred to as SunCatchers), their associated equipment and systems, and their support infrastructure. Each SunCatcher consists of a solar receiver heat exchanger and a closed-cycle, high-efficiency Solar Stirling Engine specifically designed to convert solar power to rotary power, which drives an electrical generator to produce electricity.

ENERGY COMMISSION AND BUREAU OF LAND MANAGEMENT JOINT REVIEW PROCESS

The BLM and the Energy Commission have executed a Memorandum of Understanding concerning their intent to conduct a joint environmental review of the project in a single National Environmental Policy Act (NEPA)/California Environmental Quality Act (CEQA) process. It is in the interest of the BLM and the Energy Commission to share in the preparation of a joint environmental analysis of the proposed project to avoid duplication of staff efforts, to share staff expertise and information, to promote intergovernmental coordination at the local, state, and federal levels, and to facilitate public review by providing a joint document and a more efficient environmental review process.

Under federal law, the BLM is responsible for processing requests for rights-of-way to authorize the proposed project and associated transmission lines and other facilities to be constructed and operated on land it manages. In processing applications, the BLM

must comply with the requirements of NEPA, which requires that federal agencies reviewing projects under their jurisdiction consider the environmental impacts associated with the proposed project construction and operation.

As the lead agency under CEQA, the Energy Commission is responsible for reviewing and ultimately approving or denying all applications to construct and operate thermal electric power plants, 50 MW and greater, in California. The Energy Commission's facility certification process carefully examines public health and safety, environmental impacts and engineering aspects of proposed power plants and all related facilities such as electric transmission lines and natural gas and water pipelines.

AGENCY PARTICIPATION

To ensure that the Energy Commission and BLM have the information needed in order to make a decision, the Energy Commission's regulations identify a special role for federal, state, and local agencies (See, Cal. Code Regs., tit. 20, section 1714, 1714.3, 1714.5, 1742, 1743, and 1744). As a result, we request that you conduct a review of the AFC and provide us with the following information:

- 1) a discussion of those aspects of the proposed site and related facilities for which your agency would have jurisdiction but for the exclusive jurisdiction of the Energy Commission to certify sites and related facilities;
- 2) a determination of the completeness of the list in the AFC of the laws, regulations, ordinances, or standards which your agency administers or enforces and would be applicable to the proposed site and related facilities but for the Energy Commission's exclusive jurisdiction;
- 3) a description of the nature and scope of the requirements which the applicant would need to meet in order to satisfy the substantive requirements of your agency but for the Energy Commission's exclusive jurisdiction, and identification of any analyses that the Energy Commission should perform in order to determine whether these substantive requirements can be met; and
- 4) an analysis of whether there is a reasonable likelihood that the proposal will be able to comply with your agency's applicable substantive requirements.

The scope of your agency's comments on the AFC should encompass *significant* concerns, and substantive requirements that would be required for permitting in your jurisdiction but for the Energy Commission's exclusive jurisdiction or certification. (Cal. Code Regs., tit. 20, section 1714.5, subd. (a)(2); emphasis added.) Please let us know if you need additional information or need to perform analyses or studies in order to resolve any concerns of your agency. (Cal. Code Regs., tit, 20, section 1714.5.)

We request that all agency comments be provided to us by **September 3, 2009**, except for the Mojave Desert Air Quality Management District's Preliminary and Final Determinations of Compliance, which should be provided by **September 3, 2009**, and **November 2, 2009** respectively. You may be asked to present and explain your conclusions at public and evidentiary hearings on the project. (See Cal. Code Regs., tit. 20, sections 1714.3, 1714.5, 1743, 1744.5, and 1748). Local agencies may seek

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reimbursement for reasonable costs incurred in responding to these requests. (Cal. Code Regs., tit. 20, section 1715).¹

The Energy Commission and BLM staff will work closely with you to ensure that your concerns and conclusions are described in the Preliminary Staff Assessment/Draft Environmental Impact Statement and Final Staff Assessment/Final Environmental Impact Statement. Over the coming months, the Energy Commission and the BLM will conduct a number of public workshops, scoping meetings, and hearings on the proposal to determine whether the proposed project should be approved for construction and operation and under what set of conditions. These workshops, scoping meetings, and hearings will provide the public as well as local, state and federal agencies the opportunity to ask questions about, and provide input on, the proposed project. The Energy Commission and BLM will issue notices for these workshops, scoping meetings and hearings at least 15 days prior to the meeting. We encourage your agency to participate in these proceedings.

Enclosed is a copy (CD) of the AFC Supplement in electronic format. A copy of the AFC was previously provided to you on December 21, 2008. If you would like to have a hard copy of the AFC sent to you, if you have questions, or if you would like additional information on how to participate in the Energy Commission's review of the project, please contact Christopher Meyer, Project Manager, at (916) 653-1639 or by email at cmeyer@energy.state.ca.us. The status of the project, copies of notices, electronic version of the AFC, and other relevant documents are also available on the Energy Commission's Internet web site at: <http://www.energy.ca.gov/sitingcases/solarone>. You can also receive email notification of all project related activities and availability of reports by subscribing to the List Server on the website.

Sincerely,

Date: _____

Eric Knight, Siting and Docket Office Manager
Siting, Transmission and Environmental
Protection Division

Enclosure

¹ Please note that pursuant to 20 CCR 1715 reimbursement is not available to state and federal agencies.