Beacon Solar, LLC
700 Universe Blvd
Juno Beach, FL 33408

December 5, 2008

Ms. Dawn Martin
PO Box 1921
Cantil, CA 93519

Subject: Responses to Question Set #2 from Rancho Seco Residents

Dear Dawn,

Please find attached, the responses to the questions from the meeting you had with Mike Argentine on the first of October. We hope that you'll find our responses complete, however if you have any additional questions please don't hesitate to contact me. I can be reached via e-mail at meg.russell@fpl.com or my office phone, (561) 304-5609.

It is important to us that we continue to foster steady communication with our local residents and remain open to discussing subjects of your choosing. We appreciate your interest in and support of the Beacon Solar project and look forward to meeting again in the near future.

Sincerely,

Meg E. Russell
Project Manager
Beacon, LLC

BEACON SOLAR ENERGY PROJECT (08-AFC-02)
RESPONSES TO RANCHO SECO QUESTIONS

Set 2, October 2008 **Response Date: December 5, 2008**

On October 1, 2008, Mike Argentine, a representative of Beacon Solar, LLC, met with Dawn Martin, a resident of the Community of Rancho Seco. This meeting was a follow-up to a previous meeting on August 15, 2008 and to discuss the responses to questions provided on September 19, 2008. Ms. Martin gave Mr. Argentine some additional questions from herself and others regarding the Beacon Solar Energy Project, as well as some additional input on the Community's proposals on how Beacon could mitigate potential impacts to the Community. Beacon's responses to these additional Rancho Seco residents' questions are provided below. The questions and responses are divided into sections based on a characterization of the format of the questions.

Follow-up Questions to those previously submitted

Questions 2.A, 2.B and 8 (multiple parts), part a:

> a. You may not use as much water as the farm or residential but our recovery rate is really different than you have described. No one from Beacon or any other place has contacted Rancho Seco for information. The USGS report for our well has not been looked at.

Response to part a:

Thank you for providing the well completion information. It is helpful to understand the construction of the well, the perforation interval and total depth.

Our analysis included review of all relevant data in the USGS database (USGS National Water Information System Database (Kern County) - http//:nwis/waterdata.usgs.gov/) and the summary of the data provided in the USGS database is included in Appendix J-1a of the AFC. Additionally, a time series graph was created showing the recovery rate of the well in Rancho Seco [30S/37E-34H002] over the period between 1978 and 2007 (please see Appendix J-1c). These data were used along with the other wells with available data since 1976 to show the recovery of the groundwater basin following the period of significant reduction in groundwater pumping (please see Figure 5.17-5 wherein the well is shown with a cumulative recovery rate of 1.61 feet per year).

Questions 2.A, 2.B and 8, part b:

> b. Water recovery for Rancho Seco has not been as fast yearly as predicted by you report. The change in water level from 1992 (225.8 ft) to 2003 (184.12 ft) has been only 41.68 ft. The recovery rate was 3.78 feet per year for the 11 years between 1992 and 2003, and then really no change from 2003 to 2008, so the last 5 years have leveled out with no outtake of water other than what we are using ourselves.

Response to part b:

Please see the response to Questions 2.A, 2.B and 8, part a above. The rate of recovery for well 30S/37E-34H002 was estimated over the period of time between 1984 and 2007. The period follows the time of significant agricultural pumping and is the time when the water level began to rise in the well (estimated to be 1984). As such, the rate is a cumulative recovery rate, one which was calculated considering the total rise in water level between 1984 and 2007. The cumulative rate "averages" those incremental changes in recovery over that period. In a sense, this rate takes into account the changes in recharge and discharge in the vicinity of the well over that period of time. Further, the well hydrograph would also takes into account period of drought and high levels of precipitation that occurred since 1984.

As noted in the hydrograph there are periods of "flattening" of the curve, which likely reflect periods of lower precipitation. However, these periods are buffered with steeper portions indicating high periods of precipitation and infiltration into the groundwater basin. Overall, the water level has risen on average over that period 1.61 feet per year.

Questions 2.A, 2.B and 8, part c:

> c. You are predicting a change in water level of 10 feet in 30 years. How can this happen with no rain to refill the groundwater? Because the project is not expected to significantly change water levels as predicted by the numerical groundwater model, there are no protections proposed. Please see letter for the proposed fix to this problem.

Response to part c:

The estimate of drawdown via the numerical model is based on the condition that groundwater recharge to the basin currently exceeds discharge or groundwater pumping. What is important to note is that under this assessment, the groundwater basin will continue to rise, since the proposed project pumping will only slow the rate of recharge to the groundwater basin. As shown in the many hydrographs in the area of the project site, since agricultural pumping has ceased, recharge has exceeded discharge as groundwater levels have risen in the water wells on the east side of the basin. The sources of recharge are mountain front recharge or runoff from Pine Tree Canyon and Jawbone Canyon.

Please see response below (page 9) to your proposed letter.

Questions 2.A, 2.B and 8, part d:

> d. What are the measurements of the water storage tanks with capacities of 2,840,000 gals and 2,350,000 gals? Height _____ and Width _____ ?

Response to part d:

The 2,350,000 gallon tank is approximately 36 feet high and 120 feet in diameter. The 2,840,000 gallon water tank is 34 feet high and 136 feet in diameter. These tank sizes are considered preliminary and subject to change during final design.

Question 2.E:

> The construction period is 25 months long. This is over 2 years, I can show the sand movement in a 24 hour period, for instance, in one day over 1 foot of sand can move. I am really worried about the dirt blowing while in construction.

Response:

It is expected that several dust control measures will be used to stabilize surfaces during construction, including:

- **Plain Water Sprays:** Using plain water to wet the material;
- **Water Sprays with Surfactant:** using a surfactant added to the water would lower the surface tension of the water, and increase the ability of the water to penetrate the soil. Many commercial products are available for this purpose; and
- **Dust Palliative:** a blend of water and commercially available dust palliative materials could be used in areas where grading operations have been completed. Dust palliatives work by either agglomerating the fine particles, adhering/binding the surface particles together, or increasing the density of the near surface materials.

The Final Decision issued by the Energy Commission will contain Conditions of Certification that are meant to minimize project-caused dust during construction such that it does not cause a significant impact to the local community.

Question 3:

> What were the start water levels and the levels at this time at the Kramer and Harper lake sites?

Response:

The solar energy generating system (SEGS) at Kramer Junction does not use groundwater, and hence this question is not relevant to that project.

While groundwater is being used at Harper Lake, it is very important to realize that there can be no comparison to the effects of groundwater usage by comparison to the Koehn Sub-basin. The Harper Lake project is located in a separate groundwater basin with unique conditions of recharge and discharge. Because these are separate groundwater basins, there is no correlation between historic water levels at Harper Lake during the period of use there to what might happen in the Koehn Sub-basin.

Additionally, the Harper Lake SEGS IX and X used a simple water balance and examination of hydrographs to provide rationale for the use of groundwater in support of solar power. This level of analysis is not as comprehensive as a numerical groundwater model used for the proposed Beacon Solar Energy Project. The numerical modeling used for the BSEP allows for more sophisticated understanding of pumping influence and impacts to basin storage throughout the groundwater sub-basin.

Question 5, part a:

a. Why not use AVEK water out of the pipeline on the mountain to the west that LA owns anyway instead of the groundwater?

Response to part 5.a:

The available water resources are addressed in the AFC, both in Section 5.17 (Water Resources) and Section 4.5.3 (Cooling Water Supply Alternatives). An extensive survey (see AFC Appendix K.1) was sent to many potential water purveyors in the Project region. As indicated in AFC Table 4-8 "Water Supply Alternatives Considered", an inquiry was sent to the Los Angeles Department of Water and Power (LADWP) regarding the potential supply of water from their water delivery system near the Project site for use as a source of make-up water for the project. LADWP responded to our inquiry that it has no surplus water to sell outside the City of Los Angeles, and cannot legally provide the Project with water from the Los Angeles Aqueduct System.

Furthermore, the purchase of AVEK water was not considered as an alternative for certain reasons discussed in the AFC, including our concerns about the reliability of State Water Project water and a potential adjudication of the Antelope Valley Groundwater Basin.

Question 5, part b:

b. Wouldn't the wastewater from California City be a really good option in 2012 instead of groundwater so we have nothing to drink?

As discussed on page 4.16 of the AFC, the pipeline to the BSEP site is one of two alternatives potentially being considered by the city for the planned discharge of tertiary treated water in excess of 0.9 mgd (the other is discharge to Cache Creek). Cache Creek comes to Cantil, and so we will get their wastewater anyway. Just use potable water until the wastewater is available, then use what you need of the 4 million gallons. There are valves so Beacon does not have to have more water than they want, and let California City make a green world out of the rest of the wastewater for California City or give it to Cantil so we can have a green world. Put the water line in at the same time as the gas line so the road does not get torn up but one time. Then when the treatment plant is done, all that has to be done is connect to the water line already in place. Please plan ahead for the people in the area.

Response to part 5.b:

As discussed in part a above, the AFC contained an analysis of potential sources of water for the project, including a proposed California City tertiary treatment facility. In order to use reclaimed water from California City, the City must first upgrade its waste water treatment facility to produce reclaimed water that has undergone tertiary treatment that meets the standards (Title 22 of the California Code of Regulations) required for use in a power plant. As explained at the November 6, 2008 CEC workshop, a significant investment by the City would be needed to upgrade the current residential sewage collection system to route the waste water to the treatment facility rather than relying on the septic systems currently in use. As indicated in the AFC, if reclaimed water was available from a Title 22 compliant tertiary treatment facility with sufficient water supplies, then Beacon Solar would propose to use that water instead of groundwater. However, recent discussions with California City officials have indicated that given the recent economic downturn and lack of growth in the California City area, it is considered unlikely that Title 22 tertiary-treated reclaimed water will be available in 2012 and it's unknown when the City's treatment plant upgrade project will occur. Further, it is unknown if there will be a sufficient quantity of reclaimed water available when it's constructed. Therefore, Beacon Solar must pursue other options at this time.

Question 21:

Does this company understand how our community works together in times of natural or other kinds of disasters such as fires, floods, etc.? What about Cantil? We are asking the questions, not California City.

Response:

In our previous response, the "California City area" was meant to encompass the region around the project, including Cantil. While we may not be familiar with how your community would

respond to natural or other disasters, our company has a history of working with the local communities in such times, and we believe that we will be able to adapt our assistance to the communities' needs.

Proposals

Proposal 1

The Cantil representative is willing to sit down with you at any time. Also Honda may be willing to help with some of the projects.

Response:

Beacon Solar has met twice with Ms. Martin, as well as had discussions with Honda. The Energy Commission process is quite comprehensive and will evaluate the potential for environmental impacts related to construction and operation of the BSEP. We will implement specific measures that will benefit the local area related to identified significant impacts due to this project, if any.

Proposal 2

I myself am really sad about this because if you owned Rancho Seco water, we as a corporation would not have the right to say a word about the usage of water.

Response:

As a responsible, publicly traded corporation, we must continue to operate in business areas that correspond to our core competencies and benefit our stockholders.

Proposal 3

We still hope to have you help with the community projects and work with Honda for a better understanding of wind and road blocks from the sand.

Response:

Please see previous responses from September 19, 2008 as well as response to Proposal 1 above.

Proposal 4

Taxes and shares in Beacon.

Response:

Please see response to Proposal 1 above.

Proposal 5

A post office would be a big help to all of Cantil and to Beacon for getting and receiving mail, plus it would make another two jobs in Cantil.

Response:

We have a history of working with and giving back to the communities where we operate. As discussed in Section 5.11 of the AFC, the BSEP will contribute significantly to the local economy in terms of new jobs, taxes, and other revenues. We appreciate the input regarding where the community feels that taxes and other revenues that will be paid by the project could most benefit the local community.

Proposal 6

Water usage and testing will still need to be discussed and granting access to the well at Rancho Seco is an option if we could use the same water testing company. Everything in our system has to be reported to the health department because we provide water for drinking.

Response:

If water level measurements and water quality testing are required offsite, we prefer to work closely with the property owner to allow for access to the well. We would, as part of being granted access to the well, provide all data from testing to the well owner. We would also be willing to explore using the same water company, to ensure consistency in the data reporting.

Proposal 7

Some things just have to be put on the table but it is sad not to have some benefits from the electricity you are making.

Response:

As we stated in our earlier response, FPL Energy companies currently own and operate nearly 90 facilities in operation in 25 states and Canada. We have a history of working with and giving back to the communities where we operate. We have already commenced discussions with you regarding a dust mitigation program that would ultimately benefit both Beacon Solar and the Cantil residents. We welcome your participation in any such program.

Proposal 8

Rebuilding Jawbone Wash was a main part of this proposal you did not answer this proposal.

Response:

The BSEP is being designed to have the least impact on the natural systems in the area as possible. For instance, although we are re-routing Pine Creek Wash, we expect that essentially no significant changes to flood potential will be seen at the new out flow. Beacon Solar does not have the ability to make changes to off-site areas such as rebuilding Jawbone Wash or maintaining Lone Tree Wash. Not only are these areas on property not owned by Beacon Solar, but if changed, then we would be responsible for ensuring no impacts to biological resources were caused and/or to provide additional mitigation. It is not possible for us to accept this responsibility for other's property.

Proposal 9

To make a contract with well owners not to over use water would be a big help in not having sleepless nights. Please see and sign letter for all Cantil residents' wells to be protected.

Response:

Please see response below to the proposed letter contract.

Proposal 10

When and where did this testing take place if you did not have the information on the well or any resident to contact? Maybe we could plant trees to make it look good and to stop some sand from blowing but that takes water to keep alive, so lets use California City's waste water to make our area green and hold down the sand.

Response:

The noise testing referred to in the previous response to Proposal 10 is described in Section 5.8, Noise, of the AFC and the locations of the monitoring are shown in Figure 5.8-2. Please see response to Questions 2.A, 2.B and 8, part a above regarding the information on the well in Rancho Seco that was used for the analysis. Lastly, please see response to Question 5, part b above related to the uncertainty of the availability of a sufficient quantity of tertiary treated water that meets the Title 22 standards and hence could be used by the power plant.

Proposal 11

We have contacted Southern California Gas and they are looking into maybe extending their line but we would still need help in getting the gas line from Neuralia to our homes.

Response:

We will encourage Southern California Gas Company to install the line in such a way as to facilitate making natural gas available beyond the needs of our project. Please also see response to Proposal 5 above.

Proposed Contract

Rancho Seco and the Residents of Cantil have studied your predictions Beacon Solar is using water for cooling and washing mirrors. The residents of Cantil use water for drinking and bathing so Beacon Solar does not care about the quality of the water like Rancho Seco and residents of Cantil do. The Health Department is notified every month about our water quality. When the water level gets too low what will be done to clean up the contaminants that have invaded our water supply and destroyed our drinking water for the making of power that could have been cooled and washed with wastewater from California City? The Residents of Cantil would like to have you sign this letter so that we are protected from any future over use of water or flooding of the area.

- If Beacon Solar Energy Project should change the water level lower by more than 10 feet, Beacon Solar will agree to have water usage stopped, have water hauled to well areas affected if below safe potable water level, dig wells (within the Cantil area) deeper at Beacon's expense, repair, and/or compensate well owners.

- When the Beacon Solar Energy Project reroutes the water out of Lone Tree canyon to the downstream flood plain, the flood plain will not be changed. On site some

ground run off from rain will be detained in a detention pond near the north end of the site. The detention pond will be designed and constructed in accordance with all applicable laws, rules, and requirements of Kern County and will be designed so that flows from the site after development are equal to or less than flows from the site before development. If something should happen in our area due to the changes in rerouting and detention ponds you have made and the residents cannot use Neuralia Rd. or someone's home gets washed out, you would fix, repair, replace, and/or compensate the landowners in the are including repair of Neuralia Road.

Response:

The California Energy Commission is responsible for the certification of all thermal power plants in the State of California in excess of 50 megawatts such as the Beacon Solar Energy Project. The certification process implemented by the Commission is the most rigorous in the nation. The Commission has the responsibility to ensure that all environmental impacts, including the impacts on ground water are mitigated to the point on being insignificant. In conjunction with the process, Conditions of Certification will also be imposed to ensure compliance. In the event that a Condition of Certification has been violated, a complaint can be filed with the General Counsel of the California Energy Commission. Following an investigation and complaint proceeding, the Commission will take appropriate action.

As a result, Beacon Solar does not believe the proposed letter agreement is necessary.