

CALIFORNIA ENERGY COMMISSION

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SACRAMENTO, CA 95814-5512
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DATE	OCT 30 2008
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The Honorable Larry Grogan, Supervisor
2nd District Imperial County Board of Supervisors
County Government Center
940 Main Street.
El Centro, CA 92243

Dear Supervisor Grogan:

On June 30, 2008, Stirling Engine Systems Solar Two, LLC, (SES Solar Two, LLC) submitted an Application for Certification (AFC) to the California Energy Commission to develop the Stirling Engine Systems Solar Two Project (SES Solar Two Project). The SES Solar Two Project site is located on 6,140 acres of federal land managed by the Bureau of Land Management (BLM) and 360 acres of private land approximately 100 miles east of San Diego, 14 miles west of El Centro, and 4 miles east of Ocotillo in Imperial County, California.

The proposed SES Solar Two project would be a nominal 750-megawatt (MW) Solar Stirling Engine project, with construction planned to begin in either late 2009 or early 2010. Although construction would take approximately 40 months to complete, power would be available to the grid as each 60-unit group of Stirling Engine modules is completed. The primary equipment for the generating facility would include approximately 30,000, 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, driving an electrical generator to produce electricity.

The project would be constructed in two phases. Phase I of the project would consist of up to 12,000 SunCatchers configured in 200 1.5-MW solar groups of 60 SunCatchers per group with a net nominal generating capacity of 300 MW. Phase II would add approximately 18,000 SunCatchers, expanding the project to a total of approximately 30,000 SunCatchers configured in 500 1.5-MW solar groups with a total net generating capacity of 750 MW. Although the project is phased, it is being analyzed in this AFC as if all phases would be operational at the same time.

The proposed SES Solar Two Project also includes an electrical transmission line, water supply pipeline, and a site access road. The off-site 6-inch-diameter water supply pipeline would be constructed a distance of approximately 3.40 miles from the Imperial Irrigation District (IID) Westside Main Canal to the project boundary. The water supply pipeline would be routed in the Union Pacific Railroad right-of-way (ROW), or adjacent to this ROW on federal and private lands. Approximately 7.56 miles of the 10.3-mile double-circuit interconnection transmission line would be constructed off-site. The transmission line would connect the proposed SES Solar Two substation to the existing San Diego Gas & Electric (SDG&E) Imperial Valley Substation. A site access road

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would be constructed from Dunaway Road to the eastern boundary of the project site, generally following an existing BLM road.

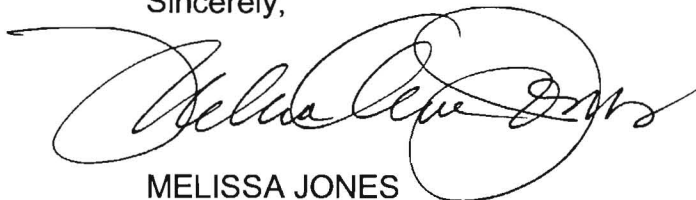
Because the applicant has proposed development on Federal land managed by the BLM, the applicant has applied for a ROW grant for the project site from the BLM California Desert District. The Energy Commission and the BLM have executed a Memorandum of Understanding for proposed solar thermal projects 50 MW and greater located on land managed by the BLM. It is in the interest of the Energy Commission and the BLM 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.

On October 8, 2008, the AFC for the SES Solar Two Project was deemed data adequate by the California Energy Commission, and staff has now begun the discovery and analysis phases of the permitting process. Over the coming months, the California Energy Commission and the Bureau of Land Management will conduct a number of public workshops and hearings on the proposal to determine whether the SES Solar Two Project should be approved for construction and operation and under what set of conditions. These workshops will provide the public and local, state, and federal agencies the opportunity to ask questions about, and provide input on, the proposed project. The Energy Commission will issue notices for these workshops and hearings at least 15 days prior to the meeting.

We are available to brief you and your staff on the Energy Commission's power plant review process and the specifics of the SES Solar Two, LLC, application. Please contact Chris Marxen, Director, Office of Governmental Affairs, at (916) 654-4942, if you would like a briefing. If your constituents would like to participate in the Energy Commission's review of the project, they should contact the Energy Commission's Public Adviser, Elena Miller, at (916) 654-4489 or toll free in California, at (800) 822-6228, or by email at publicadviser@energy.state.ca.us.

The status of the project, copies of notices, an electronic version of the AFC, and other relevant documents are available on the Energy Commission's Internet web site at: <http://www.energy.ca.gov/sitingcases/solartwo>. You can also subscribe to receive e-mail notification of all notices at <http://www.energy.ca.gov/listservers/index.html>.

Sincerely,

A handwritten signature in black ink, appearing to read "Melissa Jones". The signature is fluid and cursive, with a large loop at the end.

MELISSA JONES
Executive Director