

To: Commissioner Jeffrey D. Byron, Presiding Member
Commissioner Anthony Eggert, Associate Member

From: Richard Knox, Project Manager

Subject: SES Solar Two, LLC (08-AFC-5) Applicant Status Report #7

DOCKET
08-AFC-5
DATE _____
RECD. FEB 16 2010

Dear Commissioners Byron and Eggert:

Pursuant to the Committee Scheduling Order dated December 3, 2009, the Applicant hereby submits its Status Report #7 for the Proposed SES Solar Two Project (the "Project").

Schedule:

Our understanding is that the Staff Assessment (SA) / Draft Environmental Impact Statement (DEIS) will be released by 2/16/2010. While we agree that it is important for the CEC and BLM staff to prepare a complete SA/DEIS, it remains important for Tessera Solar (parent to SES Solar Two, LLC) to receive a final decision in August 2010 to meet its funding obligations. Since the overall schedule on the Project has not been modified to reflect the SA/DEIS release date, we submitted a proposed modified schedule to the Committee on 2/1/2010. We would appreciate the Committee's consideration of the proposal and issuance of a revised scheduling order, if appropriate.

Biological Resources:

The BLM submitted the Biological Assessment for Flat-tailed Horn Lizard and Conference Opinion on Big Horn Sheep to the United States Fish and Wildlife Service (USFWS) on 12/31/2009 and 12/16/2009, respectively. It is our understanding that the USFWS is finalizing its review. BLM, with support from the Applicant, is working on responding to comments. We appreciate the efforts of both agencies and it appears that the Biological Opinion may be issued within the 90 days as provided in the Memorandum of Understanding between the BLM and USFWS.

It is our understanding the BLM is now requesting additional botanical surveys. The Applicant is working with BLM to understand their specific needs.

Waters of the US

The Army Corps of Engineers has recently informed us that they plan on using the CRAM model to perform a functional assessment of the jurisdictional waters on the Project site, which would be accomplished between the DEIS and Final Environmental Impact Statement. Our understanding is that this regional watershed analytical tool was developed and is being used to evaluate the implications of multiple projects on riverine systems, but that without modifications, it is not applicable to desert systems. We also understand that a federal and state interagency team is looking into possible modifications to allow the model to be used for desert systems. We are concerned that making these modifications and applying them to the Project may increase the permitting time and cost, that the modified model may not be ripe for application in a permitting process, and that there may be separate funding requirements to perform this assessment. We would like to work with the agencies to understand the implications of the modifications and applicability to permitting of the Project, and to reach consensus on an alternative methodology for performing the assessment if, for any reason, it becomes infeasible to complete appropriate CRAM modeling for the project in a timely fashion.

Cultural Resources:

We understand that the BLM is focused on completing the PA according to their proposed schedule. We appreciate their efforts because timely completion of the final PA is critical for making final decisions on engineering for the Project. Of secondary importance is review of the Class III Cultural Resources Technical Report by both BLM and CEC staff. The Applicant requests timely review of the Class III report in order to establish Agency level of comfort with the available data and to use the contents of the Class III report as a baseline as the Project moves through the Section 106 and regulatory environmental review processes.

Water Resources:

An application (SF 299) was filed with the BLM on February 2, 2010 by the Applicant for the drilling of 3 groundwater "monitoring wells" required by the Colorado River Regional Water Quality Control Board (RWQCB). These monitoring wells are necessary within the Project proposed evaporation pond area to establish baseline water quality data (scientific data collection) prior to the development of the ponds. Baseline water quality data collection from the groundwater wells are required by the RWQCB in accordance with the Title 27 California Code of Regulations. The BLM is currently reviewing the environmental documentation.

Applicant has been impressed with the dedication and professionalism of CEC and BLM staff; however we have become extremely concerned about the staff's significant workload, their lack of resources, and the restrictions in their time. We stand ready to assist the Commission in any way we can to obtain additional resources to perform the work for the solar projects eligible for federal funds.

If you have any questions, please contact me at (602) 957-1818.

Respectively,

A handwritten signature in black ink, appearing to read 'Richard Knox', with a stylized, flowing script.

Richard Knox, Project Manager



**BEFORE THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT
COMMISSION OF THE STATE OF CALIFORNIA
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**APPLICATION FOR CERTIFICATION
For the SES SOLAR TWO PROJECT**

Docket No. 08-AFC-5

PROOF OF SERVICE

(Revised 1/27/10)

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DECLARATION OF SERVICE

I, Corinne Lytle, declare that on February 11, 2010, I served and filed copies of the attached Applicant's Status Report #7. The original document, filed with the Docket Unit, is accompanied by a copy of the most recent Proof of Service list, located on the web page for this project at:
[\[http://www.energy.ca.gov/sitingcases/solartwo/index.html\]](http://www.energy.ca.gov/sitingcases/solartwo/index.html).

The documents have been sent to both the other parties in this proceeding (as shown on the Proof of Service list) and to the Commission's Docket Unit, in the following manner:

(Check all that Apply)

FOR SERVICE TO ALL OTHER PARTIES:

_____ sent electronically to all email addresses on the Proof of Service list;

_____ by personal delivery or by depositing in the United States mail at _____ with first-class postage thereon fully prepaid and addressed as provided on the Proof of Service list above to those addresses **NOT** marked "email preferred."

AND

FOR FILING WITH THE ENERGY COMMISSION:

_____ sending an original paper copy and one electronic copy, mailed and emailed respectively, to the address below (*preferred method*);

OR

_____ depositing in the mail an original and 12 paper copies, as follows:

CALIFORNIA ENERGY COMMISSION

Attn: Docket No. 08-AFC-5
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docket@energy.state.ca.us

I declare under penalty of perjury that the foregoing is true and correct.

Original signed by

Corinne Lytle