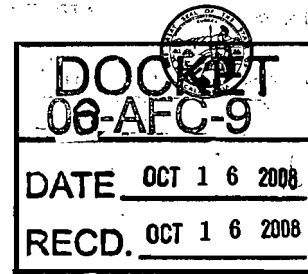


CALIFORNIA ENERGY COMMISSION

1516 NINTH STREET
SACRAMENTO, CA 95814-5512
www.energy.ca.gov

October 16, 2008



TO: AGENCY DISTRIBUTION LIST

DISTRIBUTION OF SUPPLEMENTAL INFORMATION FACILITATING AGENCY PARTICIPATION IN THE REVIEW OF THE PALMDALE HYBRID POWER PROJECT, APPLICATION FOR CERTIFICATION (08-AFC-9)

On August 21, 2008, your agency was sent a copy of the Application for Certification (AFC) to construct and operate the Palmdale Hybrid Power Project (PHPP) in the city of Palmdale, Los Angeles County, with a request for your agency's comments. Enclosed is a copy (CD) of the Supplement to the AFC that was subsequently received from the city of Palmdale (applicant) on October 1, 2008.

On October 8, 2008, the California Energy Commission accepted the AFC with the supplemental information as complete. Energy Commission staff has now begun the data discovery and analysis phases of the project's 12-month process. During this time, staff will conduct a detailed examination of the project's potential for public health and safety and environmental impacts, and its compliance with all applicable laws, ordinances, regulations and standards (LORS). As part of our review process, the Energy Commission staff works closely with local, state and federal agencies to ensure that all LORS are met and incorporated into the final decision of the Energy Commission. Your agency now has the opportunity to assist Energy Commission staff in identifying significant issues and any additional information necessary for proper analysis and resolution.

Energy Commission's Facility Certification Process

The Energy Commission is responsible for reviewing and ultimately approving or denying all applications to construct and operate thermal electric power plants, 50 megawatts 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. The Energy Commission is the lead agency under the California Environmental Quality Act (CEQA), but it produces several environmental and decision documents rather than an Environmental Impact Report.

Agency Participation

To ensure that the Energy Commission has the information it needs in order to make a decision, we request that you conduct a review of the AFC and provide us with the following information:

1) a list of each aspect of the proposed site and related facility for which your agency has jurisdiction or would have jurisdiction but for the exclusive authority of the Energy Commission to certify sites and related facilities;

2) a list of the laws, regulations, ordinances, or standards which your agency administers or enforces and are applicable to the proposed site and related facility or which would be

applicable to the proposed site and related facility but for the Energy Commission's exclusive authority to certify sites and related facilities;

3) a description of the nature and scope of the information requirements which the applicant must eventually meet in order to satisfy the substantive requirements of your agency, and any other studies, analyses, or other data collection which the applicant, your agency, or the Energy Commission should perform in order to resolve each substantive or permit requirement of the agency; and

4) a preliminary analysis of whether there is a reasonable likelihood that the proposal will be able to comply with your agency's applicable laws, and whether there are any aspects of the proposed site and facilities which are likely to disqualify a proposal as an acceptable site and related facility.

We request that you complete your preliminary review of these issues by February 12, 2009, and your final review by April 14, 2009.

Over the coming months, the Energy Commission will conduct a number of public workshops and hearings on the proposal to determine whether the proposed project should be approved for construction and operation and, if so, under what set of conditions. These workshops 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 will issue notices for these workshops and hearings at least 10 days prior to the meeting. We encourage your agency to participate in these proceedings.

If you have questions on how to participate in the Energy Commission's review of the proposed project, please contact John Kessler, Project Manager, at (916) 654-4679, or by email at jkessler@energy.state.ca.us. The status of the proposed 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/palmdale>. You can also subscribe to receive e-mail notification of all notices at <http://www.energy.ca.gov/listservers>.

Sincerely,



EILEEN ALLEN, Manager
Energy Facilities Siting and Compliance Office

Enclosure
Mailed to Agency List 7319