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April 8, 2009

File No. 039610-0003

VIA FEDEX

CALIFORNIA ENERGY COMMISSION
Attn: Docket No. 08-AFC-9
1516 Ninth Street, MS-4
Sacramento, California 95814-5512

DOCKET	
08-AFC-9	
DATE	<u>APR 08 2009</u>
RECD.	<u>APR 08 2009</u>

Re: City of Palmdale Hybrid Power Plant Project: Docket No. 08-AFC-9

Dear Sir/Madam:

Pursuant to California Code of Regulations, title 20, sections 1209, 1209.5, and 1210, enclosed herewith for filing please find Applicant's Status Report #2.

Please note that the enclosed submittal was filed today via electronic mail to your attention and to all parties on the attached electronic proof of service list.

Very truly yours,



Paul E. Kihm
Senior Paralegal

Enclosure

cc: 08-AFC-9 Proof of Service List (w/encl. via e-mail and U.S. Mail)
Michael J. Carroll, Esq. (w/encl.)

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STATE OF CALIFORNIA
ENERGY RESOURCES
CONSERVATION AND DEVELOPMENT COMMISSION

In the Matter of:) Docket No. 08-AFC-09
)
APPLICATION FOR CERTIFICATION,) APPLICANT’S STATUS REPORT #2
FOR THE PALMDALE HYBRID POWER)
PROJECT BY THE CITY OF PALMDALE)
)
)
_____)

On behalf of the City of Palmdale (“Applicant”) and pursuant to the Committee Scheduling Order issued on December 15, 2008, we hereby submit this Status Report #2.

I. Discovery Status

Data Request Set 1

Staff for the Energy Commission (“Staff”) issued Data Requests Set 1 (#s 1-88) on December 10, 2008 for the Palmdale Hybrid Power Plant Project (08-AFC-9) (“PHPP”). On January 12, 2009, Applicant filed timely responses to Data Requests Set 1, except to the extent that Applicant filed timely objections or extension requests.

On December 30, 2008, Applicant filed a timely objection to Data Requests 22, 23, 24, 25, 86 and 87. Staff and Applicant engaged in discussions regarding the scope of the referenced Data Requests and subsequently resolved Applicant’s objections. For Data Requests 22, 23, 24 and 25 relating to the assessment of cultural resources, Applicant agreed to provide data summarized in a correspondence docketed on March 3, 2008 as part of Applicant’s responses to Data Request Set 2 (discussed below). For Data Requests 86 and 87 regarding the evaluation of sites where transmission line construction may occur, Applicant agreed to certain conditions of certification and to conduct a data base search, as noted in Staff’s Status Report 2 dated March 11, 2008. The results of the database search will be docketed by April 9, 2009. Once this has

occurred, it is Applicant's understanding that all open issues related to Data Requests 22, 23, 24, 25, 86 and 87 have been fully resolved with Staff.

Applicant submitted supplemental information related to Data Request Set 1 as requested by Staff during the "Data Response and Issue Resolution Staff Workshop" on February 4, 2009. Applicant filed supplemental responses on February 13, 2009 and March 28, 2009. It is Applicant's understanding that, except to the extent that appropriate extensions have been granted, all informational requests related to Data Request Set 1 have been fully resolved with Staff.

Data Request Set 2

On April 1, 2009, Staff issued requests for additional data in Data Requests Set 2 (#s 91-156). Applicant is currently reviewing Data Requests Set 2 and preparing responses.

In an effort to submit information to Staff on an expedited basis, Applicant anticipates filing supplemental responses within a few days to a week of the filing of this Status Report #2. The supplemental filing will likely include but not necessarily be limited to: a report on water resources and jurisdictional determinations; biological resources reports; a summary of a supplemental confidential cultural resources survey report; a supplemental built environment report for the realigned transmission line segments; a summary of the ongoing City of Palmdale land use approvals for the PHPP; and potentially other information as appropriate.

II. Preliminary Determination of Compliance

The Antelope Valley Air Quality Management District (AVAQMD) issued the Preliminary Determination of Compliance (PDOC) for the PHPP. On March 16, 2009, Staff submitted comments on the PDOC. On March 19, 2009, the U.S. Environmental Protection Agency (USEPA) submitted comments on the PDOC. On March 25, 2009, Applicant submitted comments on the PDOC to address the concerns raised by Staff and USEPA and to propose revisions to the PDOC. It is Applicant's understanding that the AVAQMD is working to resolve any issues raised in the respective comments. Applicant is working with staff from the AVAQMD, Energy Commission, and the USEPA to resolve any such outstanding issues.

III. Application for Prevention of Significant Deterioration and Request for Endangered Species Act Consultation.

On March 31, 2009, Applicant submitted an application for a Prevention of Significant Deterioration (PSD) permit for the PHPP. As part of this application, Applicant anticipates that the USEPA will initiate consultation with the U.S. Fish and Wildlife Service (USFWS) under Section 7 of the federal Endangered Species Act about potential impacts to listed species resulting from EPA's issuance of the PSD permit. Applicant anticipates that the USEPA will seek concurrence from the USFWS that the Project is not likely to adversely affect federally listed species.

IV. City of Palmdale Land Use Approvals

At the February 19, 2009 City of Palmdale Planning Commission meeting, the General Plan Amendment (09-01), Zone Change (09-01), and Tentative Parcel Map (070999) for the PHPP site and laydown area were approved subject to approval by the City Council. No public comments were received, and City Staff answered the Planning Commission's questions to their satisfaction.

At the April 1, 2009 City Council hearing, the General Plan Amendment, Zone Change, and Tentative Parcel Map were all approved. The Zone Change requires a second reading on April 15, 2009 and becomes effective 30 days later (May 15, 2009). It is Applicant's understanding that there are no open issues related to the City of Palmdale's approval of the PHPP General Plan Amendment, Zone Change, and Tentative Parcel Map.

DATED: April 8, 2009

Respectfully submitted,

/S/ MARC T. CAMPOPIANO

Marc T. Campopiano
LATHAM & WATKINS LLP
Counsel to Applicant

**STATE OF CALIFORNIA
ENERGY RESOURCES
CONSERVATION AND DEVELOPMENT COMMISSION**

In the Matter of:)	Docket No. 08-AFC-9
)	
Application for Certification,)	PROOF OF SERVICE
for the CITY OF PALMDALE HYBRID)	
POWER PLANT PROJECT)	(Revised February 27, 2009)
)	
_____)	

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PALMDALE HYBRID POWER PROJECT
CEC Docket No. 08-AFC-09

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PALMDALE HYBRID POWER PROJECT
CEC Docket No. 08-AFC-09

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DECLARATION OF SERVICE

I, Paul Kihm, declare that on April 8, 2009, I served and filed copies of the attached:

APPLICANT' STATUS REPORT #2

to all parties identified on the Proof of Service List above in the following manner:

California Energy Commission Docket Unit

- Transmission via electronic mail and by depositing one original paper copy with FedEx overnight mail delivery service at Costa Mesa, California, with delivery fees thereon fully prepaid and addressed to the following:

CALIFORNIA ENERGY COMMISSION
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1516 Ninth Street, MS-4
Sacramento, California 95814-5512
docket@energy.state.ca.us

PALMDALE HYBRID POWER PROJECT
CEC Docket No. 08-AFC-09

For Service to All Other Parties

- Transmission via electronic mail to all email addresses on the Proof of Service list; and
- by depositing one paper copy with the United States Postal Service via first-class mail at Costa Mesa, California, with postage fees thereon fully prepaid and addressed as provided on the Proof of Service list to those addresses **NOT** marked "email preferred."

I further declare that transmission via electronic mail and U.S. Mail was consistent with the requirements of California Code of Regulations, title 20, sections 1209, 1209.5, and 1210.

I declare under penalty of perjury that the foregoing is true and correct. Executed on April 8, 2009, at Costa Mesa, California.



Paul Kihm