

LATHAM & WATKINS LLP

August 5, 2009

DOCKET	
08-AFC-9	
DATE	<u>8/5/2009</u>
RECD.	<u>8/5/2009</u>

650 Town Center Drive, 20th Floor
Costa Mesa, California 92626-1925
Tel: +1.714.540.1235 Fax: +1.714.755.8290
www.lw.com

FIRM / AFFILIATE OFFICES

Abu Dhabi	Munich
Barcelona	New Jersey
Brussels	New York
Chicago	Orange County
Doha	Paris
Dubai	Rome
Frankfurt	San Diego
Hamburg	San Francisco
Hong Kong	Shanghai
London	Silicon Valley
Los Angeles	Singapore
Madrid	Tokyo
Milan	Washington, D.C.
Moscow	

File No. 039610-0003

VIA FEDEX

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

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 #4.

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.)

Michael J. Carroll
Marc T. Campopiano
LATHAM & WATKINS LLP
650 Town Center Drive, Suite 2000
Costa Mesa, CA 92626
(714) 540-1235

STATE OF CALIFORNIA
ENERGY RESOURCES
CONSERVATION AND DEVELOPMENT COMMISSION

In the Matter of:) Docket No. 08-AFC-9
)
APPLICATION FOR CERTIFICATION,) APPLICANT’S STATUS REPORT #4
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 July 23, 2009, we hereby submit this Status Report #4.

I. SCHEDULE FOR COMPLETION OF PSA

A. Committee Conference

At the request of the Applicant, a Committee Conference was held on July 9, 2009 to discuss project scheduling. The Committee’s initial Scheduling Order for PHPP dated December 16, 2008 indicated that a PSA would be issued on March 16, 2009 based on a standard 12-month schedule. At the Committee Conference, the City of Palmdale expressed its concerns that the PHPP review had fallen considerably behind schedule, jeopardizing the City’s ability to obtain federal stimulus funding.

At the Committee Conference, Staff identified the additional information it needed to complete the PSA. In particular, Staff identified information related to Air Quality, Biology, Water Resources and Transmission System Engineering. A revised Committee Scheduling Order was issued on July 23, 2009 requiring Staff to complete the PSA within “6 – 8 weeks after all necessary information mentioned at the July 9, 2009 Committee Conference is received by Staff.”

Applicant provided the majority of the requested information in a submittal dated July 22, 2009.

B. Workshop

To address any remaining information necessary to complete the PSA, a publicly noticed teleconference was held on July 28, 2009. There, Staff identified exactly what information it needed to complete the PSA in addition to the substantial information already provided by Applicant in its July 22, 2009 submittal. In particular, Staff requested the following information at the Workshop to complete the PSA, all of which was provided to the Staff on July 31, 2009:

- ***Water Resources:*** Staff requested a conceptual site layout showing the drainage facilities associated with the proposed berm along East Avenue M.
- ***Transmission Engineering:*** Staff identified specific informational requests related to: (1) contacting the Los Angeles Department of Water and Power; (2) the transmission line crossings clearance in conformance with G.O. 95; (3) whether reconductoring would be required for the California Department of Water Resources line; and (4) maps associated with the Facilities Study Agreement.
- ***Biology:*** Erinn Wilson with the California Department of Fish and Game identified information related to ephemeral washes and drainage ditch crossings that would be needed for a Streambed Alteration Agreement. However, on July 29, 2009, during a PHPP site visit, it was agreed by Staff and Erinn Wilson that no Streambed Alteration Agreement would be required because of project design features that would be incorporated into the PHPP. Thus, the biological information requested at the Workshop is not technically required to complete the PSA because no Streambed Alteration will be needed. Nonetheless, Applicant provided the information related to how the crossings would be accomplished at each location identified in its preliminary jurisdictional determination report and a short description of the methodologies to be used as requested at the Workshop in its July 31, 2009 submittal.
- ***Air Quality:*** Staff did not request any additional information about Air Quality at the July 28, 2009 Workshop. It was agreed that Applicant's July 22, 2009 submittal provided enough information for the completion of the PSA section for Air Quality.

C. Completion Date for PSA

As described above, a relatively short list of items was identified as needed for the PSA at the July 9, 2009 Committee Conference. Applicant provided the majority of the information requested at the Committee Conference in a submittal dated July 22, 2009. Based on discussions/clarifications during the July 28, 2008 Workshop, Applicant subsequently provided additional responses to complete all outstanding informational requests in a submittal dated July 31, 2009, thereby eliminating any barriers to the completion of the PSA.

Given the Scheduling Order, it is Applicant's expectation that Staff will complete the PSA within six weeks of Applicant's July 31, 2009 submittal, or Friday, September 11, 2009. The Scheduling Order provides Staff with two extra weeks (i.e., eight weeks instead of six) to account for potential delays related to mandated furlough days and Staff's heavy application load, thus making Friday, September 25, 2009 the final completion deadline for the PSA.

II. FACILITY STUDY SUBMITTED BY SOUTHERN CALIFORNIA EDISON TO THE CALIFORNIA INDEPENDENT SYSTEMS OPERATOR

Applicant has received confirmation from Mr. Drew Brabb, Project Manager, at Southern California Edison, that the Facilities Study for the PHPP (Identification No.: *TOT154 Palmdale Power Project*) was submitted to the California Independent Systems Operator on July 30, 2009. This information was also relayed to Staff in Applicant's submittal dated July 31, 2009.

III. ADDITIONAL KEY OBSERVATION POINTS REQUESTED BY STAFF FOLLOWING THE COMMITTEE WORKSHOP

Following the Committee Conference, Staff requested a conceptual site layout that included more detail regarding the proposed berm to be located along East Avenue M, including the dimensions of the berm. Staff also requested that the Applicant modify Key Observation Point-1 (KOP-1) and KOP-4, as presented in the Application for Certification, and eliminate KOP-2 and KOP-3. At the Committee Conference, Staff only identified informational requests related to Air Quality, Biology, Water Resources and Transmission Engineering. Visual Resources informational requests were not identified.

As expressed during the Workshop, Applicant is very concerned about the timing of this request and its potential to add costs and delays to the City of Palmdale. The Applicant provided the requested site layout with the additional dimensional information in its submittal dated July 31, 2009. Furthermore, based on assurances from Staff that this item will not delay the issuance of the PSA, Applicant agreed to prepare the revised visual simulations from the modified KOPs. Applicant is working with Staff to ensure that the locations of the modified KOPs are acceptable prior to preparation of the revised simulations, and to that end, Applicant provided photographs for Staff's consideration on August 4, 2009. With these changes, it is anticipated that KOP-1, as modified, will remain KOP-1; KOP-4, as modified, will become KOP-2; and KOP-5, as it currently exists, will become KOP-3.

DATED: August 5, 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 July 29, 2009)
)	
_____)	

APPLICANT

Thomas M. Barnett
Executive Vice President
Inland Energy, Inc.
3501 Jamboree Road
South Tower, Suite 606
Newport Beach, CA 92660
tbarnett@inlandenergy.com

Antonio D. Penna Jr.
Vice President
Inland Energy
4390 Civic Drive
Victorville, CA 92392
tonypenna@inlandenergy.com

Laurie Lile
Assistant City Manager
City of Palmdale
38300 North Sierra Highway, Suite A
Palmdale, CA 93550
llile@cityofpalmdale.org

APPLICANT'S CONSULTANTS

Sara Head
Vice President
ENSR Corporation
1220 Avenida Acaso
Camarillo, CA 93012
SHead@ensr.aecom.com

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

INTERESTED AGENCIES

Michael R. Plaziak

Manager
Lahontan Regional Water Quality Control Board
14440 Civic Drive, Suite 200
Victorville, CA 92392-2306
mplaziak@waterboards.ca.gov

Rick Buckingham

State Water Project
Power & Risk Office
3310 El Camino Avenue, LL-90
Sacramento, CA 95821
E-mail preferred
rbucking@water.ca.gov

Manuel Alvarez

Robert J. Tucker
SoCal Edison
1201 K Street
Sacramento, CA 95814
Manuel.Alvarez@sce.com
Robert.Tucker@sce.com

Jeffrey Doll

Air Resources Engineer
Energy Section/Stationary Sources
California Air Resources Board
P.O. Box 2815
Sacramento, California 95812
E-mail preferred
jdoll@arb.ca.gov

Christian Anderson

Air Quality Engineer
Antelope Valley AQMD
43301 Division St, Suite 206
Lancaster, CA 93535
E-mail preferred
canderson@avaqmd.ca.gov

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

Erinn Wilson

California Department of Fish and Game
4949 Viewridge Avenue
San Diego, CA 92123
EWilson@dfg.ca.gov

California ISO
P.O. Box 639014
Folsom, CA 95763-9014
e-recipient@caiso.com

ENERGY COMMISSION

Jeffrey D. Byron

Commissioner and Presiding Member
CALIFORNIA ENERGY COMMISSION
1516 Ninth Street
Sacramento, California 95814-5512
jbyron@energy.state.ca.us

Arthur H. Rosenfeld

Commissioner and Associate Member
CALIFORNIA ENERGY COMMISSION
1516 Ninth Street
Sacramento, California 95814-5512
pflint@energy.state.ca.us

Paul Kramer

Hearing Officer
CALIFORNIA ENERGY COMMISSION
1516 Ninth Street
Sacramento, California 95814-5512
pkramer@energy.state.ca.us

Felicia Miller

Project Manager
CALIFORNIA ENERGY COMMISSION
1516 Ninth Street
Sacramento, California 95814-5512
fmiller@energy.state.ca.us

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

Caryn Holmes

Staff Counsel
CALIFORNIA ENERGY COMMISSION
1516 Ninth Street
Sacramento, California 95814-5512
CHolmes@energy.state.ca.us

Elena Miller

Public Adviser
CALIFORNIA ENERGY COMMISSION
1516 Ninth Street
Sacramento, California 95814-5512
Publicadviser@energy.state.ca.us

DECLARATION OF SERVICE

I, Paul Kihm, declare that on August 5, 2009, I served and filed copies of the attached:

APPLICANT'S STATUS REPORT #4

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

Attn: DOCKET NO. 08-AFC-09
1516 Ninth Street, MS-4
Sacramento, California 95814-5512
docket@energy.state.ca.us

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 August 5, 2009, at Costa Mesa, California.



Paul Kihm