

LATHAM & WATKINS LLP

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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 the City of Palmdale's Comments on Volume 1 of the Preliminary Staff Assessment for the Palmdale Hybrid Power Project.

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

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

In the Matter of:

City of Palmdale's)	
Application for Certification of the)	Docket No. 08-AFC-9
Palmdale Hybrid Power Project)	
_____)	

**CITY OF PALMDALE'S COMMENTS ON
VOLUME 1 OF THE PRELIMINARY STAFF ASSESSMENT FOR THE
PALMDALE HYBRID POWER PROJECT**

I. INTRODUCTION

Volume 1 of the Palmdale Hybrid Power Project (PHPP) Preliminary Staff Assessment (PSA) was issued on December 23, 2009 by the California Energy Commission (CEC). The Environmental Assessment in Volume 1 of the PSA included discussion on and proposed Conditions of Certification for the following topics:

- Hazardous Materials
- Noise and Vibration
- Public Health
- Socioeconomics
- Transmission Line Safety and Nuisance
- Waste Management and Worker Safety
- Engineering Assessment
- Alternatives
- General Conditions

The Applicant has reviewed Volume 1 of the PSA and respectfully submits the following comments. Comments are organized in the same order as the subjects appear in Volume 1 of the PSA. For comments dealing with Conditions of Certification, we first provide our comment and then our proposed revisions in ~~strikeout~~ or underline format.

II. COMMENTS

A. GENERAL COMMENT

The proposed facility footprint which includes the solar field, power block, plant roadways, set back and slopes, and stormwater detention ponds will total 333 acres (see table below), as described on Page PD-2 of the Applicant's responses to CEC Staff Set 1 Data Requests (submitted March 2, 2009). In several places, the PSA references the plant acreage as *377 acres*, but the plant acreage should be 333 acres¹.

PHPP Plant Acreage	
PHPP Area	Footprint (acres)
Solar field	251
Power block	26
Roadways	23
Setback and slope	13
Stormwater detention basins	20
<u>Subtotal</u>	<u>333</u>
Temporary laydown area	50
Total	383

B. HAZARDOUS MATERIALS

The introduction to the Hazardous Materials section states that the aqueous ammonia proposed for the power plant is an "*acutely hazardous*" material. Per the California Code of Regulations (CCR), Title 8, section 5189, aqueous ammonia solutions with a concentration less than or equal to 44% by weight are considered "*hazardous*" but not acutely hazardous materials. PHPP proposes to use 19% ammonia in aqueous solution, so the aqueous ammonia solution will not be an acutely hazardous material.

1. Comments on HAZ-1

The HAZ-1 Condition of Certification requires the Applicant to limit the use of hazardous materials at PHPP to those listed in Appendix B, which matches the list of hazardous materials previously submitted to the CEC on January 12, 2009. However, Appendix B does not include the materials listed in Table DR-27, "Small Quantity Hazardous Materials Expected to be Used

¹ Note, the Project Description contained in Volume 2 of the PSA correctly references 333 acres, although several of the other Sections in Volume 2 also reference 377 acres.

at PHPP” which represents the Applicant’s best estimate of the types of small-quantity hazardous chemicals (e.g., less than reportable quantities) that are expected to be used at the plant site (e.g., materials such as WD-40, Loctite, aerosol paint cans, adhesives, solvents, etc.). This supplemental small quantity hazardous materials list was submitted to the CEC on February 13, 2009 as part of a response to a workshop question related to Data Request 27.

While Applicant understands that it is important to characterize the hazardous materials that may be used at the site, it is not feasible to define with any high level of certainty the exact types and quantities of hazardous materials that will be employed at the site in very small quantities (e.g., less than reportable quantities) because of the numerous options available and the individual preferences of the project’s supply managers. Therefore, the Applicant requests that the CEC revise condition HAZ-1 as shown below. If the revisions are not made, the Applicant requests that the CEC also include these additional hazardous materials provided in Table DR-27 in Appendix B and provide appropriate flexibility for the CPM to approve these types of small quantity chemicals for day-to-day construction and operational use at the site.

HAZ-1 During commissioning and operations, the project owner shall ~~not use any hazardous materials not listed in Appendix B, below, or in greater quantities than those identified by chemical name in Appendix B, unless approved in advance by the Compliance Project Manager (CPM).~~ use only those hazardous materials listed in Appendix B unless the hazardous material is in quantities less than 55 gallons for liquids, 500 pounds for solids, 200 cubic feet for gases, and any amount of extremely hazardous materials. For materials in excess of the aforementioned thresholds, the hazardous material shall be approved in advance by the Compliance Project Manager (CPM) before being stored or used onsite.

For materials less than the aforementioned thresholds, the hazardous material shall be reviewed and approved by the Construction Safety Supervisor (CSS) prior to bringing the material on-site. The CSS shall submit in the Monthly Compliance Report a list of all new hazardous materials approved for use by the CSS for the applicable month.

Verification: The project owner shall provide to the CPM, in the Annual Compliance Report, a list of hazardous materials contained at the facility.

2. Comments on HAZ-9

The HAZ-9 Condition of Certification calls for the Applicant to prepare a Site Security Plan for the project operations phase and implement various measures to enhance physical security and hazmat storage. The Applicant acknowledges that plant security measures are an important element in maintaining the safe operation of the facility and agrees with most of the requirements included in HAZ-9. However, the Applicant understands that since there are no acutely hazardous materials located onsite (including <20% aqueous ammonia), the Chemical Facility Anti-Terrorism Standards (CFATS) do not apply to this facility (see page 4.4-14 of the PSA).

As long as not needed to meet applicable LORS or to mitigate a specific impact under CEQA, the security measures to be employed should be left to the Applicant based on site conditions and need. For instance, we believe it is not necessary to provide perimeter breach and camera detection for both perimeter fences (e.g., power block and solar field).

HAZ-9 also requires that the owner or authorized representative of “hazardous materials” transport vendors certify that they have met applicable requirements. We request that this requirement be made specific to the aqueous ammonia, since that will be the primary hazardous material transported in significant quantities by the PHPP.

In addition, HAZ 9 item 1 refers to a requirement for the perimeter security fence to “*extend below ground surface consistent with the Desert Tortoise exclusion fencing requirements specified in Condition of Certification BIO-11.*” The specific requirements for exclusionary Desert Tortoise fencing should be addressed only in the BIO-11 Condition of Certification and should not be repeated in the Hazardous Material (e.g., plant security) section, as it neither addresses a hazardous material nor a plant security issue. Applicant will have comments on BIO-11, which may make the two conditions inconsistent if adopted in one condition and not the other.

HAZ-9 The project owner shall prepare a site-specific Security Plan for the operational phase and shall be made available to the CPM for review and approval. The project owner shall implement site security measures addressing physical site security and hazardous materials storage. The level of security to be implemented shall not be less than that described as below (as per NERC 2002).

The Operation Security Plan shall include the following:

1. Permanent full perimeter fence or wall, at least eight feet high around the Power Block and Solar Field ~~and meet the requirements and extend below ground surface consistent with the Desert Tortoise exclusion fencing requirements specified in Condition of Certification **BIO-11.**~~
2. Main entrance security gate, either hand operable or motorized;
3. Evacuation procedures;
4. Protocol for contacting law enforcement and the CPM in the event of suspicious activity or emergency;
5. Written standard procedures for employees, contractors and vendors when encountering suspicious objects or packages on-site or off-site;
6.
 - a. A statement (refer to sample, attachment “A”) signed by the project owner certifying that background investigations have been conducted on all project personnel. Background investigations shall be restricted to ascertain the accuracy of employee identity and employment history, and shall be conducted in accordance with state and federal law regarding security and privacy;

- b. A statement(s) (refer to sample, attachment “B”) signed by the contractor or authorized representative(s) for any permanent contractors or other technical contractors (as determined by the CPM after consultation with the project owner) that are present at any time on the site to repair, maintain, investigate, or conduct any other technical duties involving critical components (as determined by the CPM after consultation with the project owner) certifying that background investigations have been conducted on contractor personnel that visit the project site.
7. Site access controls for employees, contractors, vendors, and visitors;
 8. A statement(s) (refer to sample, attachment “C”) signed by the owners or authorized representative of ~~hazardous materials~~ aqueous ammonia transport vendors certifying that they have prepared and implemented security plans in conformity with 49 CFR 172.880, and that they have conducted employee background investigations in accordance with 49 CFR Part 1572, subparts A and B;
 9. Closed Circuit TV (CCTV) monitoring system, recordable, and viewable in the power plant control room and security station (if separate from the control room) capable of viewing, at a minimum, the main entrance gate and the ammonia storage tank; and
 10. Additional measures to ensure adequate perimeter security consisting of either:
 - a. Security guard present 24 hours per day, seven days per week, **OR**
 - b. Power plant personnel on-site 24 hours per day, seven days per week and **alone** of the following:
 - 1) The CCTV monitoring system required in number 9 above shall include cameras that are able to pan, tilt, and zoom (PTZ), have lowlight capability, are recordable, and are able to view 100% of the power block perimeter fence, the ammonia storage tank, the outside entrance to the control room, and the front gate from a monitor in the power plant control room; **AND/OR**
 - 2) ~~Power block perimeter breach detectors or on-site motion detectors.~~
 - 3) The entire perimeter fence around the solar array shall be viewable by the CCTV system **or** have perimeter breach detectors **or** on-site motion detectors.

The project owner shall fully implement the security plans and obtain CPM approval of any substantive modifications to the security plans. The CPM may authorize modifications to these measures, or may require additional measures, such as protective barriers for critical power plant components (e.g., transformers, gas lines, compressors, etc.) depending on circumstances unique to the facility or in response to industry-related standards, security concerns, or additional guidance provided by the U.S. Department of Homeland Security, the U.S. Department of Energy, or the North American Electrical Reliability Council, after consultation with appropriate law enforcement agencies and the applicant.

Verification: At least 30 days prior to the initial receipt of hazardous materials onsite, the project owner shall notify the CPM that a site-specific Operations Site Security Plan is available for review and approval. In the Annual Compliance Report, the project owner shall include a statement that all current project employee and appropriate contractor background investigations have been performed, and updated certification statements are appended to the Operations Security Plan. In the Annual Compliance Report, the project owner shall include a statement that the Operations Security Plan includes all current hazardous materials transport vendor certifications for security plans and employee background investigations.

B. NOISE AND VIBRATION

NOISE-3 and -4 require the implementation of project construction and operations noise control programs and plans. Noise control programs and plans will also be included in the Applicant's construction and operations Injury and Illness Prevention Plan (IIPP), Exposure Monitoring Program, and Personal Protective Equipment Plan, which are also included as requirements of the Worker Safety WS 1 and 2 conditions of certification. To streamline compliance with the control programs, the Applicant requests that the substantive requirements of NOISE-3 and -4 be incorporated into the Worker Safety conditions of certification.

C. SOCIOECONOMIC RESOURCES

The Applicant provides the following minor comments:

- Under the Minority Populations section (Pg. 4.8-2), first line, second paragraph includes a typo. It should read "for the PHPP, the ~~total~~ minority population within the six-mile radius of the proposed site is 100,297 persons or about 52.26 percent of the total population..."
- Table 2 (Pg. 4.8-4) includes a typo on row D (public services impacts). The public services rows appear to be misaligned with the resultant impacts. The table should show less than significant impacts to medical facilities, police protection, and schools; and no impact to parks and other public facilities.

D. TRANSMISSION LINE SAFETY AND NUISANCE

TSLN-4 requires the project owner to ensure the transmission line right of way is kept free of combustible material, etc. Since the ownership as well as operation and maintenance of all or portions of the transmission line may be transferred to SCE, this requirement should be the responsibility of the owner of the line. The Applicant therefore requests that the CEC revise the wording of the Condition as follows:

TLSN-4 The project owner shall ensure that the rights-of-way of those portions of the transmission line that are under the Project owner's control are kept free of

combustible material, as required under the provisions of section 4292 of the Public Resources Code and section 1250 of Title 14 of the California Code of Regulations.”

E. WASTE MANAGEMENT

1. Comments on WASTE-5: all

WASTE-5, as written, appears to suggest that contamination assessment and/or remediation must be performed under a consent agreement with DTSC oversight. The Applicant believes that the intent of WASTE-5 likely is to require DTSC coordination only for material or significant contamination responses (i.e., the contamination exceeds a minimum threshold level).

Otherwise, DTSC regulatory oversight of minor contaminant levels could result, which would be an inefficient use of limited agency resources and would add substantial costs and delays to the project. Accordingly, the Applicant requests that the CEC revise WASTE-5 as follows:

WASTE-5 In the event that contamination is identified during assessment of the project site, during any phase of PHPP construction, and if the Project PE, certified Geologist, or CPM reasonably determines that sampling is needed to confirm the nature and extent of contamination, then the Project PE and/or certified Geologist shall file a written report to the CPM stating a recommended course of action. If significant contamination is identified which the certified Geologist, PE, or CPM reasonably determines may pose a significant risk to workers or the public, then the DTSC will be contacted regarding the proposed course of action. any additional work to assess and/or remediate any contamination shall be conducted under the oversight of DTSC, with CPM review and approval.”

Verification: The project owner shall consult with DTSC, and enter into an consent agreement at DTSC’s request as necessary, to ensure oversight of any additional site assessment and remediation work needed to reevaluate the site or address contamination that has been determined may pose a significant risk to workers or the public found during any phase of PHPP site construction. The project owner shall ensure that the CPM is involved and apprised of all discussions with DTSC, and CPM concurrence shall be required for project decisions addressing site remediation.

2. Comments on WASTE-9:

Condition WASTE-9 includes a requirement to provide a Recycling and Reuse Plan to Los Angeles County that ensures compliance with the County’s 50% Construction and Demolition (C&D) waste (Diversion) program requirements. However, the City of Palmdale does not have an equivalent construction waste recycling program and/or a construction waste diversion requirement. Responses to PHPP Data Requests 84 and 85 (submitted January 12, 2009) clearly stated the Applicant’s responsibility to the Los Angeles County Diversion Program, which covers only the Los Angeles County portions of the project (e.g., portions of the water pipeline and proposed transmission line).

Since the City of Palmdale has no similar waste diversion requirements, the response to Data Request 85 indicated that PHPP construction contractors working within the Palmdale city limits would be encouraged to coordinate with the City of Palmdale Public Works Department and utilize the existing recycling and reuse resources that are currently available to the City. The City intends to adopt waste management strategies within the City limits but will not set a specific diversion requirement.

If not necessary to meet an applicable LORS or to mitigate a significant impact under CEQA, the Applicant should not be required to implement this plan for construction materials within the City limits. The Applicant requests that the wording of the WASTE-9 Condition of Certification be revised as shown below.

WASTE-9 The project owner shall provide a Recycling and Reuse Plan to the County of Los Angeles, consistent with the Chapter 20.87 of the Los Angeles County Code. The project owner shall ensure compliance with all of the County's diversion program requirements in unincorporated areas of Los Angeles County. ~~and shall also meet a 50 percent diversion rate within City of Palmdale limits. The owner shall provide proof of compliance documentation to the County and the CPM, including a Final Compliance Report, receipts, and other relevant information consistent with normal reporting requirements. Project mobilization and construction shall not proceed until the County has reviewed and the CPM has issued approval documents. For construction activities within the Palmdale city limits, contractors will be required to coordinate with the City of Palmdale Public Works Department and utilize the existing recycling and reuse resources available to City contractors, and will:~~

- Incorporate C&D recovery plans and BMPs in the project design, where practical
- Include recovery requirements and goals in project specifications and contracts
- Educate contractors and crew on material recovery and reuse techniques
- Coordinate with local agencies and materials exchanges to maximize recovery of C&D reusable materials

Verification: At least 60 days prior to the start of any construction activities, the project owner shall submit the proposed Recycling and Reuse Plan and list of recycling services to the County of Los Angeles and CPM for review and approval. Upon completion of construction, the project owner shall submit proof that the 50 percent diversion rate within the unincorporated portions of Los Angeles County and goals set by the City of Palmdale limits has been achieved and that the requirements of the Recycling and Reuse Plan have been complied with to the County and CPM.

3. Comments on WASTE-11:

This condition requires the Applicant to comply with requirements of the Lahontan RWQCB's Waste Discharge Requirements (WDRs) for onsite storage and treatment of HTF-contaminated soils. This condition requires further clarification to the CEC regarding the Applicant's intent

with respect to the onsite treatment of HTF-contaminated soils. Because of the small quantity of HTF-contaminated soils expected to be generated at PHPP, the Applicant does not intend to establish an onsite Land Treatment Unit, as capital and operating costs are considered to be not cost effective due to the relatively small size of the solar field. Instead, the Applicant proposes to dispose of all HTF-contaminated soils at a properly permitted landfill as needed for the level of contamination. Unfortunately the revised Table 5.16-6R provided in response to Data Request 82 (January 12, 2009) was in error, and no soils will be treated onsite. Therefore, this condition should be deleted because the project will not entail a Land Treatment Unit and no soils will be treated onsite, eliminating any need for a RWQCB permit.

F. WORKER SAFETY

1. Comments on Worker Safety-4:

This condition requires the project owner to pay the CBO for the services of a Safety Monitor in addition to the Construction Safety Supervisor (required in WORKER SAFETY-3). The Applicant's engineer and other subcontractors involved in performing work at the PHPP site will be required to adhere to their own and/or the Applicant's safety program, policies, and procedures. The scope of work involved in ensuring the Applicant and all subcontractors adhere to all CEC- and OSHA-mandated safety requirements will be performed by the Applicant's Construction Safety Supervisor (per WORKER SAFETY-3), the CPM, and also by CalOSHA inspectors. Therefore, the requirement for additional safety monitoring services appears redundant. The Applicant requests that this Condition of Certification be deleted because ample safety monitoring provisions are already required for construction.

2. Comments on WORKER SAFETY-6:

This condition requires the Applicant to prepare a worker heat stress protection plan and establish Best Management Practices (BMPs) for herbicides used to control weeds in and around the solar field. We believe that the requirement to have separate plans for these two aspects is unnecessary and redundant. Rather, these requirements will be addressed by the Injury and Illness Protection Plan, which is already required by WORKER SAFETY-2. We therefore request that this condition be deleted, and if needed, heat stress and herbicide use BMPs can be listed as components of the IIPP in condition WORKER SAFETY-2.

G. GEOLOGY AND PALEONTOLOGY

PAL-4 requires that, prior to ground disturbance and for the duration of construction activities involving ground disturbance, the project owner and the PRS shall prepare and conduct weekly CPM-approved training for workers. Verification #2 of this condition requires the project owner to submit the *script and final video* to the CPM for approval at least 30 days prior to ground disturbance if the project owner is planning to use a video for interim training. We request that the CEC revise the wording of Verification #2 so that the final video (if employed for interim training) could be taped during the project kick-off meeting instead as this would facilitate the

development of the video. We also request that the CEC add language to allow the use of alternative presentation materials, such as a PowerPoint presentation, instead of a training video.

PAL-4 Prior to ground disturbance and for the duration of construction activities involving ground disturbance, the project owner and the PRS shall prepare and conduct weekly CPM-approved training for the following workers: project managers, construction supervisors, foremen, and general workers involved with or who operate ground-disturbing equipment or tools. Workers shall not excavate in sensitive units prior to receiving CPM-approved worker training. Worker training shall consist of ~~a CPM-approved video or in-person presentation~~ an initial in-person PRS training, or may utilize a CPM-approved video or other presentation format, during the project kick off for those mentioned above. Following initial training, a CPM-approved video, other approved training presentation/materials, or in-person training may be used for new employees. The training program may be combined with other training programs prepared for cultural and biological resources, hazardous materials, or other areas of interest or concern. No ground disturbance shall occur prior to CPM approval of the Worker Environmental Awareness Program (WEAP), unless specifically approved by the CPM.

The WEAP shall address the possibility of encountering paleontological resources in the field, the sensitivity and importance of these resources, and legal obligations to preserve and protect those resources.

The training shall include:

1. A discussion of applicable laws and penalties under the law;
2. Good quality photographs or physical examples of vertebrate fossils for project sites containing units of high paleontological sensitivity;
3. Information that the PRS or PRM has the authority to halt or redirect construction in the event of a discovery or unanticipated impact to a paleontological resource;
4. Instruction that employees are to halt or redirect work in the vicinity of a find and to contact their supervisor and the PRS or PRM;
5. An informational brochure that identifies reporting procedures in the event of a discovery;
6. A WEAP certification of completion form signed by each worker indicating that he/she has received the training; and
7. A sticker that shall be placed on hard hats indicating that environmental training has been completed.

Verification:

- (1) At least 30 days prior to ground disturbance, the project owner shall submit the proposed WEAP, including the brochure, with the set of reporting procedures for workers to follow.

- (2) At least 30 days prior to ground disturbance, the project owner shall submit the training program presentation/materials script and final video to the CPM for approval if the project owner is planning to use a presentation format other than an in-person trainer for a video for interim training.
- (3) If the owner requests an alternate paleontological trainer, the resume and qualifications of the trainer shall be submitted to the CPM for review and approval prior to installation of an alternate trainer. Alternate trainers shall not conduct training prior to CPM authorization.
- (4) In the monthly compliance report (MCR), the project owner shall provide copies of the WEAP certification of completion forms with the names of those trained and the trainer or type of training (in-person or other approved presentation format video) offered that month. The MCR shall also include a running total of all persons who have completed the training to date.

I. TRANSMISSION SYSTEM ENGINEERING

1. Comments on ROW Study, Facility Study, and CDWR Comments

The PSA states that FSA section for Transmission System Engineering cannot be released until the Facility Study and ROW Study are completed. The final Facility Study was received from the California Independent System Operator on November 23, 2009 and was docketed with the CEC on January 6, 2010. Thus, the Facility Study is no longer an impediment to completing the FSA.

The PSA states that the ROW Study is needed to determine the feasibility of the portion of the transmission line through SCE's right-of-way (i.e., Segment 2). Previously, SCE suggested it could not determine the feasibility of Segment 2 until a ROW Study is completed. (See SCE letter to the CEC, dated June 29, 2009.) More recently, however, SCE has clarified that "we are now able to determine that the Project's proposed transmission line route is technically feasible." (See November 19, 2009 letter from SCE to Mayor James Ledford, City of Palmdale [emphasis added].) SCE further clarified that it "has not found any fatal flaws" with the proposed line. SCE's November 19, 2009 letter was docketed with the CEC on December 7, 2009.

Given SCE's clarified position that Segment 2 is feasible, the ROW Study should no longer present an impediment to completing the FSA. CEQA does not require every technical aspect of a project to be finalized with particularity, provided the project is described with enough detail to facilitate the environmental review process. (See *Dry Creek Citizens Coalition v. County of Tulare*, 70 Cal. App. 4th 20, 24-35 (1999).) CEQA Guidelines Section 15124(c) requires a "general description of the project's technical, economic, and environmental characteristics" of a proposed project. The court in *Dry Creek* determined that "final design" specifications are not required for an EIR because "final design, engineering and construction plans are always done after conditional project approval." (*Dry Creek*, 70 Cal. App. 4th at 35.) Similarly, the level of final detail provided by the ROW Study is not needed for the EIR-equivalent FSA analysis. The Applicant has provided adequate information about the scope and design of Segment 2 to satisfy

CEQA and facilitate Staff's environmental review. Given SCE's determination of feasibility, the ROW Study should no longer be needed to complete the FSA.

The Applicant has worked extensively with SCE and CDWR to respond to CDWR's data requests and address any remaining reliability concerns associated with the Pearblossom Pumping Plant. Based on multiple discussions between CDWR, SCE and the Applicant, SCE recently indicated that: "it is certain that CDWR concurs with the reasonability of the proposed approach given adequately protective permit conditions." (November 19, 2009 letter from SCE to Mayor James Ledford, City of Palmdale [emphasis added].)

To ensure CDWR's reliability concerns are addressed and to remove any potential for delaying the FSA, the Applicant proposes the following Condition of Certification:

Proposed Condition of Certification: Applicant shall consult with Southern California Edison and the California Department of Water Resources to evaluate whether the construction or operation of the PHPP transmission line within the Southern California Edison right-of-way (Segment 2) could significantly impair the reliability of the Pearblossom Pumping Plant. Applicant shall implement mitigation measures identified by Southern California Edison to reduce potential reliability impacts to the Pearblossom Pumping Plant to less than significant levels, to the reasonable satisfaction of the California Department of Water Resources.

Proposed Verification: Prior to beginning the construction of any portion of the PHPP transmission line within the Southern California Edison right-of-way (Segment 2) that has a potential to impact the reliability of the Pearblossom Pumping Plant, as determined by Southern California Edison, Applicant shall provide written evidence to the CPM that the California Department of Water Resources concurs that potential reliability impacts to the Pearblossom Pumping Plant have been reduced to less than significant levels.

2. Comments on TSE-8:

Condition of Certification TSE-8 requires the Project Owner to be responsible for limiting the output of the facility to 698 MW and to appear before the CEC to request an amendment if the facility exceeds this output. The maximum output of the PHPP facility is expected to be constrained by transmission capacity, and hence this requirement should be revised to 570 MW, not 698 MW.

TSE-8 The project owner shall be responsible for limiting output of the proposed facility to 570 698 MW. If the proposed facility exceeds the output pursuant to the limitations of the transmission interconnection study, the project owner shall appear before the Energy Commission to request an amendment to the project.

Verification: The project owner will submit quarterly reports to the CPM indicating maximum quarterly output.

J. ALTERNATIVES

Staff states that it cannot complete the alternatives analysis until the feasibility of Segment 2 of the transmission line route is identified by the ROW Study. As discussed above, SCE has determined that Segment 2 is technically feasible. Applicant has provided adequate information about the scope and design of the Segment 2 transmission line to satisfy CEQA and facilitate Staff's environmental review. Given SCE's determination of feasibility, the ROW Study should no longer be needed to complete the FSA. Please see the Applicant's response in Transmission System Engineering for additional discussion.

**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 4, 2010)
)	
_____)	

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

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

DECLARATION OF SERVICE

I, Paul Kihm, declare that on February 8, 2010, I served and filed copies of the attached:

**CITY OF PALMDALE'S COMMENTS ON VOLUME 1 OF THE PRELIMINARY
STAFF ASSESSMENT FOR THE PALMDALE HYBRID POWER PROJECT**

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 a 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 February 8, 2010, at Costa Mesa, California.



Paul Kihm