

August 26, 2011

Ms. Mary Dyas 09-AFC-06C California Energy Commission 1516 Ninth Street, (MS-2000) Sacramento, CA 95814 **DOCKET 09-AFC-6C**DATE AUG 26 2011

RECD. AUG 30 2011

Re: Blythe Solar Power Project (09-AFC-06C)

Palo Verde Solar I

Response to BLM & Compliance Maintenance Strategy

Dear Mary:

Thank you for taking the time to meet with us earlier this week regarding the Blythe Solar Power Project and the potential re-design of the Project to a photovoltaic concept.

As we discussed, the BLM requested that we respond to the Notice of Temporary Suspension with a letter that set forth the proposed course of action as the Project is re-permitted. Attached please find the letter which establishes the intent of BSPP to maintain compliance for the Project throughout this transition. Additionally provided with the letter are other materials that were requested by BLM.

We understand this letter will be circulated within the CEC disciplines for their input. We welcome the occasion to discuss this correspondence further, if requested, and we will accommodate a meeting at your convenience.

If you have any questions, please do not hesitate to contact me at 510-463-6506.

Thank You.

Sincerely,

Nicole C. Tenenbaum Director, Compliance

cc: Chris Marxen, CEC Compliance Office Manager

Encl.

VIA OVERNIGHT MAIL AND EMAIL

Mr. John R. Kalish
Field Manager
U.S. Bureau of Land Management
Palm Springs – South Coast Field Office
1201 Bird Center Drive
Palm Springs, CA 92262-8001
John Kalish@blm.gov

August 25, 2011

Re: 2800(P) CACA-048811 (CA660)

Dear Mr. Kalish:

Palo Verde Solar I, (PVSI) acknowledges receipt of your Notice/Order for Immediate Temporary Suspension of Activities Issued dated August 23, 2011 (Attachment 1). Although we disagree that we have violated any term or condition of our ROW Grant or any state and federal law or regulation, we are committed to cooperate with you and your staff to resolve any issues resulting from our decision and announcement to switch the solar electric generating facilities from using concentrated solar trough design to photovoltaic panels. Please understand that PVSI acknowledges that it cannot construct a project utilizing photovoltaic panels without specific authorization from BLM and appropriate state and federal permits. PVSI never intended to imply that it could continue construction on site to build a photovoltaic facility without repermitting.

As directed by BLM, we are including a 299 Application to Amend our ROW Grant (Attachment 2). This application is not yet supported by an Amended Plan of Development which will be developed and submitted within the next 90 days. Please note, as instructed, the 299 Application to Amend includes the request to modify the generation tie-line transmission route to accommodate the modified location of the Colorado River Substation and to accommodate an overlap of ROW Grants with the Desert Southwest Transmission Project.

The purpose of this letter is to outline the activities that PVSI believes should be undertaken on site during the time while the BLM and other agencies are processing modifications to the existing permits. PVSI looks forward to continued cooperative discussions to outline these issues clearly so it has a clear path forward to comply with all terms and conditions of its permits in order to avoid environmental or health and safety impacts.



Current Site Status

PVSI has installed desert tortoise fencing for a portion of the Phase IA approved area. No desert tortoise fencing for Phase IB has been installed. Within the Phase IA fenced area, some of the site has been cleared and grubbed (primarily within the Shared Facilities Area and a portion of the access road corridor). Attachment 3 identifies the portions where clearing and grubbing was conducted. The clearing and grubbing activities ceased on August 23, 2011 but have resulted in piles of vegetative material that should be chipped to discourage its use as habitat. PVSI is currently staging these areas on site to accommodate chipping. The chipping equipment is currently scheduled to arrive on site on September 7, 2011. PVSI requests confirmation that this activity can commence as planned. The site has temporary storm drainage with check dams in compliance with the approved Storm Water Pollution Prevention Plan (SWPP) and the Drainage Erosion Sedimentation Control Plan (DESCP). One production well and one test well have been installed on site and is currently operational.

Planned activities for the next three weeks are provided as Attachment 4.

MAINTENANCE, MONITORING AND REPORTING ACTIVITIES PROPOSED

Monitoring and Security

We propose to have our Construction Manager and Environmental Compliance Manager (Amandeep Singh) located in our office in the City of Blythe physically inspect the site every weekday. We propose to have a security guard on-site during nights and weekends.

We propose to maintain our on-call contracts with the approved Designated Biologist(s) and monitors, the approved Cultural Resource Specialists and monitors, Native American Monitors, and UXO specialists.

We propose to arrange a monthly site visit conducted by the Environmental Compliance Manager for the purposes of accommodating inspections by a biological monitor, a cultural resource monitor, a Native American monitor, and a BLM representative who will all be invited to attend.

If there is any need to repair the desert tortoise or security fencing or cattle guards identified by the daily site monitoring, such work will be performed under the supervision of the monitors in compliance with the conditions and approved plans. Such supervision will include cultural and Native American monitors, a biological monitor and a UXO specialist.



PVSI does not envision modifications to compliance plans will be necessary. We will comply with all compliance plans as applicable to the activities that will be undertaken to maintain the site during the repermitting permitting process. PVSI will continue to maintain all activities to remain in compliance with the Biological Opinion and specifically plans relating to the desert tortoise.

Reporting

PVSI proposes continuing monthly compliance reporting to the CEC CPM and the BLM in the same manner that has been employed since the beginning of construction of Phase IA. PVSI will provide additional reports to comply with various Plans that require separate reporting, such as the SWPPP.

Maintenance Activities

PVSI will be executing an on-call agreement with a contractor capable of providing fence repair, drainage structure repair and maintenance, and maintaining dust suppression.

Dust Palliative

In order to minimize dust, PVSI proposes to treat all disturbed areas within the Phase IA fenced area with the approved dust palliative in September 2011 prior to demobilization of the contractor. If the dust palliative is disturbed by a rain event or otherwise needs to be reapplied, the Construction Manager will direct the contractor to reapply the dust palliative as necessary.

Hazardous Materials

Currently, the contractor has some hazardous materials on site that are necessary for construction activities, including a diesel fuel tank, oil, etc. These items will be removed from the site when the contractor demobilizes. Demobilization is planned for October 14, 2011.

Endangered Species Act Exclusion Fencing

There are three areas outside the Phase IA fenced areas where Endangered Species Act Exclusion Fencing (Exclusion Fencing) was installed to ensure these areas will be avoided by construction crews. Since no further activity will take place outside the Phase IA fence line, PVSI proposes to remove the Exclusion Fencing.

Weed Management

At this time, PVSI does not have an approved Pesticide Use Permit to implement its Weed Management Plan. Once the permit is issued by BLM, PVSI proposes to conduct weed prevention and abatement activities on the site in accordance with our CEC-approved Weed Management Plan.



Water Well and Tank

PVSI proposes to have the contractor remove the water tank but the well and meter will remain operational to support the dust palliative, weed management and any fence or drainage repair activities. Water use will be minimal but will be reported in the monthly compliance report. However, PVSI proposes to cease off-site well monitoring and resume after repermitting is completed.

Drainage Control

PVSI proposes to monitor the drainage structures during and after rain events using the Construction and Compliance Managers, who will visit the site every weekday. If a rain event damages the drainage structures, silt fencing, or desert tortoise or security fencing, the damage will be repaired with the use of the on-call contractor and will be supervised by the monitors in accordance with the compliance plans.

As reported in the latest Monthly Compliance Report, there was a rain event on July 6, 2011 that caused silt to build up along silt fencing installed along the access road. The concern was localized to four or five locations along the access road where the corridor crossed an existing wash feature. The silt fencing was not installed as part of the BMPs for the SWPPP or the DESCP but instead was installed to warn OHV/recreational drivers to avoid damaging the fencing. PVSI proposes to remove the silt fencing in these localized areas to avoid the build up during future rain events, which is consistent with the SWPPP and DESCP.

WEAP Training

The Compliance Manager will continue to provide WEAP Training for the new on-call contractor and for those that will be on-site that have not been previously trained.

Administrative Changes

PVSI will also make a few administration changes related to Kiewitt demobilization from the site. The SWPPP currently identifies Kiewitt personnel as the parties responsible for implementation. PVSI will modify the SWPPP to identify a PVSI representative as the party responsible for implementation. Additionally, the Site Safety Plans will be modified to reflect that PVSI, rather than Kiewitt, will be implementing the measures in the plans. The Compliance Manager has the qualifications to be the approved Air Quality Construction Mitigation Monitor and PVSI will be submitting his resume to obtain approval to replace the current AQCMM.



PVSI looks forward to continued working with BLM and its agency partners to ensure that the activities outlined in this letter will address any concerns related to maintenance of the site in compliance with all terms and conditions of its ROW Grant and related permits and applicable state and federal laws. Please provide written confirmation that the activities described in this letter can be undertaken during the period PVSI seeks to amend and acquire its permits to construct a solar photovoltaic facility on the site.

Thank you for your cooperation.

Sincerely,

Alice L. Harron

President, STA Development PVSI Authorized Signatory

STANDARD FORM 299 (5/2009) Prescribed by DOMSDA/DOY P.L. 96487 and Federal

FORM APPROVED

UTILITY SYSTE	TRANSPORTATION AND MS AND FACILITIES ERAL LANDS	Expires: April 30, 2012
NOTE: Before completing and filing the application, the preapplication meeting with representatives of the may have specific and unique requirements to be rethe help of the agency representative, the application	applicant should completely review this package and schedule a egency responsible for processing the application. Each agency net in preparing and processing the application. Many times, with on can be completed at the preapplication meeting.	FOR AGENCY USE ONLY Application Number Date filed
1. Name and address of applicant (include zip code) Palo Verde Solar I, LLC 1111 Broadway, 5th Floor Oakland, CA 94607	Name, title, and address of authorized agent if different from Item 1 (include zip code) Alice Harron President, STA Development LLC	3. TELEPHONE (area code) Applicant 510-463-6512 Authorized Agent Alice Harron
(length, width, grading, etc.): (d) term of years need timing of construction; and (h) temporary work areas CACA 48811 Right of Way Application: Palo Verde trough) power plant on BLM land near Blythe on No authorized technology from solar thermal to solar placengineer, permit, construct, interconnect, operate an can be as long as thirty (30) years, with options to extend the solar Power Project Final Environate technology change to photovoltaic equipment in a form addition, the attached legal descriptions and figures.	ystem or facility, (e.g., canal, pipeline, road); (b) related structured; (c) time of year of use or operation; (f) Volume or amount on needed for construction (Attach additional sheets, if additional specific processes of the construction (Attach additional sheets, if additional specific processes of the construction of a ROW Grant to develop an evember 4, 2010. PVSI would like to amend its previous apprototyoltales. PVSI plans to develop these PV facilities at the distribution of the power purchase lend. PVSI plans to begin construction of a PV facility by 2 mental impact Statement filed dated August 20, 2010. This theoming Plan of Development within the next 90 days.	res and facilities; (c) physical specifications of product to be transported; (g) duration and once is needed.) It construct a solar thermal (parabolic provals and ROW grant to change the Blythe site including: design, agreements with the utilities, which 1013. Is analysis will be updated to reflect the ment reflect a minor revision to the
8. Attach a map covering area and show location of proj		
	Applied for Not required	
10. Nonreturnable application fee. Attached	lot required	
11. Does project cross international boundary or affect in	ernational waterways? Yes No (If "yes," indicate	on map)
	ity to construct, operate, maintain, and terminate system for which lopment, LLC. We are technically and financially capable	• •

	The area requested for the right of way was selected based on nearly flat topology and short distance to Southern California Edison's new
	Colorado River substation, Highway I-10, and other infrastructure.
ъ.	Why were these alternatives not selected?
	Afternative sites would require longer road, tranmission line and telecom construction which would result in greater cost and environmental impact.
c.	Give explanation as to why it is necessary to cross Federal Lands
	The project site was selected to be located on Federal Lands because it is a short distance of undeveloped and potentially available lands that will connect the solar power project to the proposed Colorado River substation and Highway I-10.
14.	List authorizations and pending applications filed for similar projects which may provide information to the authorizing agency. (Specify number, date, code, or name)
	STA Development, LLC has another pending application CACA 48810 (Palen). This application will support the CACA 48811 (Blythe) application. PVSI is aware of similar applications by other parties in the greater Mojave & Sonoran Desert region. Federal, executive, legislative, and departmental leadership supports use of Federal lands for renewable energy development.
15.	Provide statement of need for project, including the economic feasibility and items such as: (a) cost of proposal (construction, operation, and maintenance); (b) estimated cost of next best alternative; and (c) expected public benefits.
	The right of way will support the proposed solar power projects that will serve the large and pressing need for clean renewable electric power throughout California, specifically in view of the aim of AB32. The construction cost of the transmission line is close to \$20 million. The project will be built in phases over several years and create a stable supply of engineering and construction jobs in the region.
16.	Describe probable offects on the population in the area, including the social and economic aspects, and the rural lifestyles.
	This proposed PV project would bring hundreds of workers during construction. Obtaining locally available goods and services would result in the expenditure of funds in the local economy, and the production of renewable energy in the area may draw additional visitors and revenue to the area.
17.	Describe likely environmental effects that the proposed project will have on: (a) air quality; (b) visual impact; (c) surface and ground water quality and quantity; (d) the control or structural change on any stream or other body of water; (c) existing noise levels; and (f) the surface of the land, including vegetation, permafrost, soil, and soil stability.
	Please see Blythe Solar Power Project Final Environmental Impact Statement filed dated August 20, 2010. This analysis will be updated to reflect photovoltate technology in a forthcoming Plan of Development within the next 90 days.
18.	Describe the probable effects that the proposed project will have on (a) populations of fish, plantlife, wildlife, and marine life, including threatened and endangered species; and (b) marine mammals, including hunting, capturing, collecting, or killing these animals.
	Please see Blythe Solar Power Project Final Environmental Impact Statement filed dated August 20, 2010, the Biological Opinion dated October 8, 2010, and amendment to the Biological Opinion dated March 28, 2011. This analysis will be updated to reflect photovoltale technology in a forthcoming Plan of Development within the next 90 days.
19.	State whether any hazardous material, as defined in this paragraph, will be used, produced, transported or stored on or within the right-of-way or any of the right-of-way facilities, or used in the construction, operation, maintenance or termination of the right-of-way or any of its facilities. "Hazardous material" means any substance pollulant or contaminant that is listed as hazardous under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. 9601 et seq., and its regulations. The definition of inazardous substances under CERCLA includes any "hazardous waste" as defined in the Resource Conservation and Recovery Act of 1976 (RCRA), as amended, 42 U.S.C. 9601 et seq., and its regulations. The term hazardous materials also includes any nuclear or byproduct material as defined by the Atomic Energy Act of 1954, as amended, 42 U.S.C. 2011 et seq. The term does not include petroleum, including crude oil or any fraction thereof that is not otherwise specifically listed or designated as a hazardous substance under CERCLA Section 101(14), 42 U.S.C. 9601(14), nor does the term include natural gas.
	Please see Blythe Solar Power Project Final Environmental Impact Statement filed dated August 20, 2010. Information will be provided for photovoltaic technology in a forthcoming Plan of Development within the next 90 days.

HEREBY CERTIFY, That I am of legal age and authorized to do business in the State and that I have personally examined the information contained in the application and believe that the information submitted is correct to the best of my knowledge.

Signature of Applicate Date 8/25/11

Title 18, U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

APPLICATION FOR TRANSPORTATION AND UTILITY SYSTEMS AND FACILITIES ON FEDERAL LANDS

GENERAL INFORMATION ALASKA NATIONAL INTEREST LANDS

This application will be used when applying for a right-of-way, permit, license, lease, or certificate for the use of Federal lands which lie within conservation system units and National Recreation or Conservation Areas as defined in the Alaska National Interest Lands Conservation Act. Conservation system units include the National Park System, National Wildlife Refuge System, National Wild and Scenic Rivers System, National Trails System, National Wilderness Preservation System, and National Forest Monuments.

Transportation and utility systems and facility uses for which the application may be used are:

- Canals, ditches, flumes, laterals, pipes, pipelines, tunnels, and other systems for the transportation of water.
- Pipelines and other systems for the transportation of liquids other than water, including oil, natural gas, synthetic liquid and gaseous fuels, and any refined product produced therefrom.
- Pipelines, slurry and emulsion systems, and conveyor belts for transportation of solid materials.
- 4. Systems for the transmission and distribution of electric energy.
- Systems for transmission or reception of radio, television, telephone, telegraph, and other electronic signals, and other means of communications.
- Improved rights-of-way for snow machines, nir cushion vehicles, and all-terrain vehicles.
- Roads, highways, railroads, tunnels, tramways, airports, landing strips, docks, and other systems of general transportation.

This application must be filed simultaneously with each Federal department or agency requiring authorization to establish and operate your proposal.

In Alaska, the following agencies will help the applicant file an application and identify the other agencies the applicant should contact and possibly file with:

U.S. Department of Agriculture FOREST SERVICE (USFS) Alaska Regional Office (Region 10) Physical Address: Federal Office Building 709 West 9th Steet Juneau, Alaska 99801 Mailing Address; P.O. Box 21628 Juneau, Alaska 99802 Telephone: 907-586-8806

U.S. Department of the Interior BUREAU OF INDIAN AFFAIRS (BIA) Alaska Regional Office (Juneau) MailingPhysical Address: P.O. Box 25520 709 West 9th Street Juneau, Alaska 99802 Telephone: 800-645-8397

U.S. Department of the Interior BUREAU OF LAND MANAGEMENT (BLM) Alaska State Office Mailing/Physical Address: 222 West 7th Avenue #13 Auchorage, Alaska 99513 Telephone: 907-271-5960

U.S. Department of the Interior NATIONAL PARK SERVICE (NPS) Alaska Regional Office (Auchorage) Mailing/Physical Address: 240 West 5th Avenue, Room 114 Anchorage, Alaska 99501 Telephone: 907-644-3501 U.S. Department of the Interior FISH AND WILDLIFE SERVICE Alaska Regional Office (Region 7) Mailing/Physical Address: 1011 East Tudor Road Anchorage, Alaska 99501 Telephone: 907-271-5011

Note: Filings with any Department of the Interior agency may be filed with any office noted above or with the:

U.S. Department of the Interior
OFFICE OF ENVIRONMENTAL POLICY AND COMPLIANCE
Alaska Regional Office (Anchorage)
Regional Environmental Officer
1689 C Street, Room 119
Anchorage, Alaska 99501
Telephone: (907) 271-5011

U.S. Department of Transportation PEDERAL AVIATION ADMINISTRATION Alaska Regional Office (Anchorage) 222 West 7th Avenue, #14 Anchorage, Alaska 99513 Telephone: 907-271-5269

NOTE - The Department of Transportation has established the above central filing point for agencies within that Department. Affected agencies are: Federal Aviation Administration (FAA), Coast Guard (USCG), Federal Highway Administration (FHWA), Federal Rallroad Administration (FRA).

OTHER THAN ALASKA NATIONAL INTEREST LANDS

Use of this form is not limited to National Interest Conservation Lands of Alaska.

Individual departments/agencies may authorize the use of this form by applicants for transportation and utility systems and facilities on other rederal lands outside those areas described above.

For proposals located outside of Alaska, applications will be filed at the local agency office or at a location specified by the responsible Federal agency.

SPECIFIC INSTRUCTIONS

(Items not listed are self-explanatory)

Item

- 7 Attach preliminary site and facility construction plans. The responsible agency will provide instructions whenever specific plans are required.
- 8 Generally, the map must show the section(s), township(s), and ranges within which the project is to be located. Show the proposed location of the project on the map as accurately as possible. Some agencies require detailed survey maps. The responsible agency will provide additional instructions.
- 9, 10, and 12 The responsible agency will provide additional instructions.
- 13 Providing information on alternate routes and modes in as much detail as possible, discussing why certain routes or modes were rejected and why it is necessary to cross Federal lands will assist the agency(ies) in processing your application and reaching a final decision. Include only reasonable alternate routes and modes as related to current technology and economics.
- 14 The responsible agency will provide instructions.
- 15 Generally, a simple statement of the purpose of the proposal will be sufficient. However, major proposals located in critical or sensitive areas may require a full analysis with additional specific information. The responsible agency will provide additional instructions.
- 16 through 19 Providing this information in as much detail as possible will assist the Federal agency(ies) in processing the application and reaching a decision. When completing these items, you should use a sound judgment in furnishing relevant information. For example, if the project is not near a stream or other body of water, do not address this subject. The responsible agency will provide additional instructions.

Application must be signed by the applicant or applicant's authorized representative,

If additional space is needed to complete any item, please put the information on a separate sheet of paper and identify it as "Continuation of Item".

SUPPLEMENTAL		
NOTE: The responsible agency(ies) will provide additional instructions	CHECK API	
I - PRIVATE CORPORATIONS	ATTACHED	FILED*
a. Articles of Incorporation		\square
b. Corporation Bylaws		Ø
c. A certification from the State showing the corporation is in good standing and is entitled to operate within the State.		Ø
d. Copy of resolution authorizing filing		
o. The name and address of each shareholder owning 3 percent or more of the shares, together with the number and percentage of any class of voting shares of the entity which such shareholder is authorized to vote and the name and address of each affiliate of the entity together with, in the case of an affiliate controlled by the entity, the number of shares and the percentage of any class of voting stock of that affiliate owned, directly or indirectly, by that entity, and in the case of an affiliate which controls that entity, the number of shares and the percentage of any class of voting stock of that entity owned, directly or indirectly, by the affiliate.		
f. If application is for an oil or gas pipeline, describe any related right-of-way or temporary use permit applications, and identify provious applications		
g. If application is for an oil and gas pipeline, identify all Federal lands by agency impacted by proposal.		
II - PUBLIC CORPORATIONS		
а. Сору of law forming corporation		
b. Proof of organization		
c. Copy of Bylaws		
d. Copy of resolution authorizing filing		
c. If application is for an olt or gas pipeline, provide information required by Item "I-f" and "I-g" above.		
III - PARTNERSHIP OR OTHER UNINCORPORATED ENTITY		
a. Atticles of association, if any		
b. If one partner is authorized to sign, resolution authorizing action is		
c. Name and address of each participant, partner, association, or other		
d. If application is for an oll or gas pipeline, provide information required by Item "I-f" and "I-g" above.		

(Continued on page 5)

^{*} If the required information is already filed with the agency processing this application and is current, check block entitled "Filed." Provide the file identification information (e.g., number, date, code, name). If not on file or current, attach the requested information.

NOTICES

NOTE: This applies to the Department of the Interior/Bureau of Land Management (BLM).

The Privacy Act of 1974 provides that you be furnished with the following information in connection with the information provided by this application for an authorization.

AUTHORITY: 16 U.S.C. 310 and 5 U.S.C. 301.

PRINCIPAL PURPOSE: The primary uses of the records are to facilitate the (1) processing of claims or applications; (2) recordation of adjudicative actions; and (3) indexing of documentation in case files supporting administrative actions.

ROUTINE USES: BLM and the Department of the Interior (DOI) may disclose your information on this form: (1) to appropriate Federal agencies when concurrence or supporting information is required prior to granting or acquiring a right or interest in lands or resources; (2) to members or the public who have a need for the information that is maintained by BLM for public record; (3) to the U.S. Department of Justice, court, or other adjudicative body when DOI determines the information is necessary and relevant to litigation; (4) to appropriate Federal, State, local, or foreign agencies responsible for investigating, prosecuting violation, enforcing, or implementing this statute, regulation, or order; and (5) to a congressional office when you request the assistance of the Member of Congress in writing.

EFFECT OF NOT PROVIDING THE INFORMATION: Disclosing this information is necessary to receive or maintain a benefit. Not disclosing it may result in rejecting the application.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The Federal agencies collect this information from applicants requesting right-of-way, permit, license, lease, or certifications for the use of Federal Lands.

Federal agencies use this information to evaluate your proposal.

No Federal agency may request or sponsor and you are not required to respond to a request for information which does not contain a currently valid OMB Control Number.

BURDEN HOURS STATEMENT: The public burden for this form is estimated at 25 hours per response including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to: U.S. Department of the Interior, Bureau of Land Management (1004-0189), Bureau Information Collection Clearance Officer (WO-630) 1849 C Street, N.W., Mail Stop 401 LS, Washington, D.C. 20240.

A reproducible copy of this form may be obtained from the Bureau of Land Management, Division of Lands, Realty and Cadastral Survey, 1620 L Street, N.W., Rm. 1000 LS, Washington, D.C. 20036.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Palm Springs/South Coast Field Office 1201 Bird Center Drive Palm Springs, CA 92262 (760) 833-7100 Fax (760) 833-7199



Visit us on the Internet at www.blm.gov/ca/palmsprings/

August 23, 2011

In Reply Refer to: 2800(P) CACA-048811 (CA660)

DELIVERED IN PERSON

NOTICE/ORDER

Alice L. Harron Palo Verde Solar I 1111 Broadway, 5th floor Oakland, CA 94607

CACA-048811

Immediate Temporary Suspension of Activities Issued

On November 4, 2010, the Bureau of Land Management (BLM) issued a right-of-way (ROW) grant to Palo Verde Solar I, LLC, to construct, operate, maintain, and decommission a 1,000 MW nominal solar thermal power project and its ancillary facilities. The project consists of four adjacent, and independent power block units of 250 MW nominal capacity each, with onsite facilities including an administration building, parking area, maintenance building, switchyard, bioremediation areas, wastewater treatment facilities, access and maintenance roads (either dirt, gravel or paved), perimeter fencing, central gas pipeline, a distribution line, above and below-ground fiber optic lines, and water wells; offsite facilities including an access road to the site, a distribution line, gas pipeline, above and below-ground fiber optic lines, and a new double-circuit 230 kV generation-tie line, all of which aggregating approximately 7,025 acres, more or less (the "Blythe Solar Project").

On November 4, 2010 the BLM authorized Palo Verde Solar I, LLC, as identified in the Final Plan of Development, to begin construction on a section of Black Rock Road, the new turn-off for the plant access road, a temporary 12.47 kV power line, water well, Phase Ia non-linear facilities, shared facilities area, and a portion of Solar Unit 1.

Under the terms and conditions of the ROW Grant, the ROW instrument is issued subject to the holder's compliance with all applicable laws and regulations and, in particular, with the regulations contained in Title 43 CFR Part 2800 (CACA-48811, sec.5a). Under 43 CFR 2807.20(a), you must seek to amend your grant when there is a proposed substantial deviation in location or use. Also under the regulations, at 43 CFR 2807.16(a), and according to the ROW Grant, failure to comply with the terms, conditions, or stipulations of the ROW instrument shall be grounds for immediate temporary suspension of construction activities (CACA 48811, sec.5a). According to the ROW Grant, the approved Final Plan of Development (POD) is incorporated into and made a part of the ROW Grant (CACA 48811, sec.5b).

On August 18, 2011, Palo Verde Solar I, LLC, through Solar Trust of America, announced their intent to change the solar technology from concentrated solar power (CSP) to photovoltaic (PV). The BLM's ROW approval process, analysis of the selected project alternative and the Final Plan of Development incorporated into the ROW grant all assumed construction of CSP generating facility. The proposed change in technology would constitute a substantial deviation in the anticipated use of the ROW grant, and therefore would be a violation of the terms and conditions of the ROW Grant (CACA 48811, sec 5a).

As result, the BLM orders the immediate temporary suspension of all surface disturbing construction activities related to the Blythe Solar Project pursuant to 43 CFR 2807.16. However, all biological monitoring/surveys shall still occur as previously scheduled. The project area must be secured against all hazardous conditions caused by construction activities to both wildlife and members of the public.

To avoid this suspension, the ROW Grant holder should file an amended SF299 form to request the change in the project accordingly. Once such request is processed in accordance with all applicable laws and regulations, BLM may lift this suspension Notice/Order if it is appropriate at that time.

All observations and handling resulting from such biological monitoring, shall be recorded and reported monthly consistent with the requirements of the Plan of Development for the Blythe Solar Project. "All observations will be reported to the AB who will record the following information for the monthly compliance report: (1) species name; (2) location (global positioning system coordinates, narrative and maps) and dates of observations; (3) general condition and health, including injuries and state of healing; (4) diagnostic markings, including identification numbers or markers; and (5) locations moved from and to. All Service (2008) Guidelines for monitoring and reporting will be followed.

Pursuant to 43 CFR 2807.16(d), this Notice/Order shall remain in effect until permission to resume activities is issued by the BLM. The holder of this grant must make a written request to BLM for permission to resume activities at any time after receipt of this Notice/Order. Per 43 CFR 2807.16(c), such request must give the relevant support facts and state the reasons why you believe the BLM should lift the Notice/Order. The BLM may grant or deny, pursuant to 43 CFR 2807.16(c). If BLM denies such request the holder of this grant may appeal such decision in accordance with 43 CFR 2801.10.

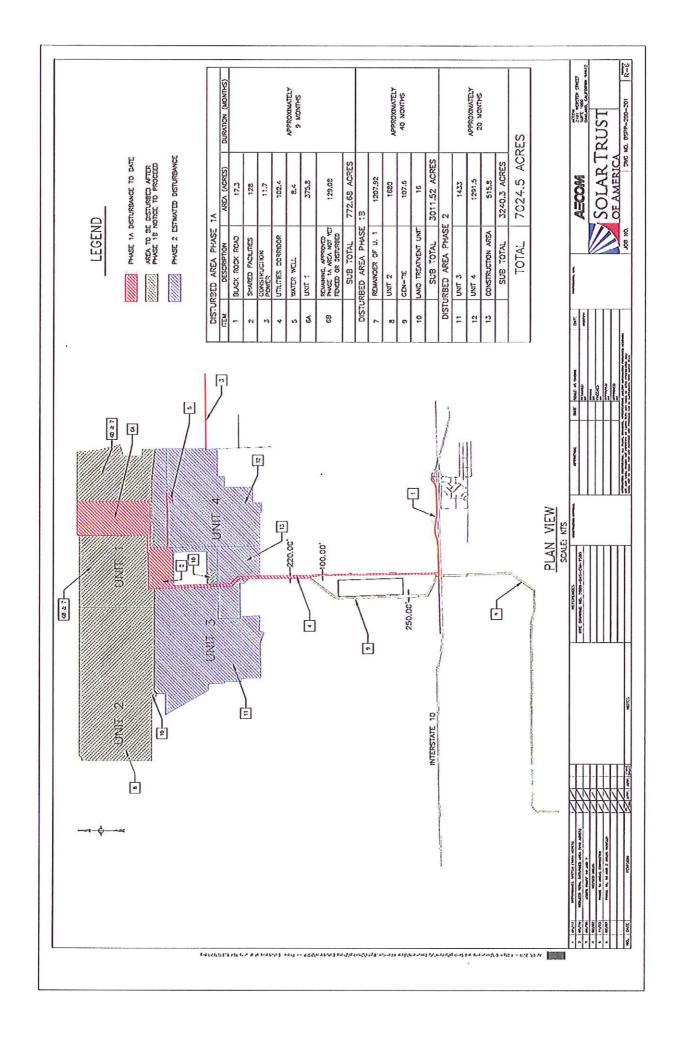
If you have any question, you may contact Allison Shaffer, Realty Specialist, at 760-833-7104.

Sincerely,

Holly R. Roberts

fur John R. Kalish
Field Manager

Teri Raml, District Manager, California Desert District
Greg Miller, Renewable Energy Coordination Office Program Manager





Early Works 3-Week Look Ahead

Blythe Solar Power Project																				11/201/2011
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