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California Energy Commission DOCKETED 09-AFC-7C
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May 8, 2013

California Energy Commission
Dockets Unit
1516 Ninth Street
Sacramento, CA 95814-5512

**Subject: PALEN SOLAR HOLDINGS, LLC'S STATUS REPORT 2
PALEN SOLAR ELECTRIC GENERATING SYSTEM
DOCKET NO. (09-AFC-7C)**

Enclosed for filing with the California Energy Commission is the electronic version of **PALEN SOLAR HOLDINGS, LLC'S STATUS REPORT 2**, for the Palen Solar Electric Generating System (09-AFC-7C).

Sincerely,

A handwritten signature in blue ink, appearing to read "Marie Fleming".

Marie Fleming

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STATE OF CALIFORNIA

Energy Resources
Conservation and Development Commission

In the Matter of:

DOCKET NO. 09-AFC-7C

Petition For Amendment for the PALEN
SOLAR ELECTRIC GENERATING
SYSTEM

**PALEN SOLAR HOLDINGS, LLC's
STATUS REPORT 2**

In accordance with the Committee Scheduling Order dated March 6, 2013, Palen Solar Holdings, LLC (PSH) has prepared this Status Report 2 to inform the Committee and to provide recommendations concerning the processing of the Petition For Amendment for the Palen Solar Electric Generating System (PSEGS).

The following summarizes the status of the Commission process and the federal permitting process since Status Report 1, as well as upcoming permitting events.

COMMISSION PROCESS

Data Requests and Responses

Staff issued Data Request Set 2 on April 19, 2013 and PSH anticipates docketing its responses prior to the 30-day regulatory response time.

Issue Resolution Workshops

On April 17, 2013 the parties had a successful workshop which primarily focused on developing agreement on modifications to Conditions of Certification for many technical areas.

On April 30, 2013, the parties had another successful workshop continuing the exchange of relevant information and developing solutions and modifications to the existing Conditions of Certification.

On May 1, 2013, the parties met for a workshop in Palm Desert to discuss avian issues related to solar flux, glint and glare, cultural resources, and worker safety and fire protection (and the County's emergency communication project). While the parties have not reached agreement on every point, PSH and Staff have developed a framework upon which to work cooperatively to estimate impacts and develop mitigation. PSH remains hopeful that such cooperation will yield a fair and reasonable mitigation package. During the workshop, Staff shared some draft data requests which were further discussed at a workshop continuation on May 6, 2013.

Additional Information Needs

PSH is working diligently to respond to Staff's Data Request Set 2 and various workshop queries that were discussed at the workshops. PSH has not yet formally received Staff's Data Request Set. However, since Staff shared drafts of these requests at the workshops, PSH has begun working on responses to ensure that staff will be able to meet their Staff Assessment schedule.

Since the time of Status Report 1, PSH has completed spring avian surveys, desert tortoise surveys, and other biological surveys for the new natural gas pipeline and transmission line realignment, as well as eagle helicopter surveys. The data from those surveys is currently being compiled for delivery to Staff for use in its analysis.

Also, since the time of Status Report 1, PSH has taken the additional photographs requested by Staff out in the field for use in development of additional visual simulations from surrounding areas including those that may be potentially culturally significant.

BLM PERMITTING PROCESS

NEPA Process

The BLM has engaged a third party NEPA contractor and has been hosting bi-weekly agency calls to assist in the exchange of information to support development of its Supplemental NEPA analysis.

At this time the cooperating agencies are BLM, United States Fish and Wildlife Service (USFWS) and the National Park Service (NPS).

Biological Opinion

As the Commission is aware, the USFWS issued a Biological Opinion (BO) for take authorization for the desert tortoise in 2011 (one desert tortoise) for the Approved Project. USFWS and PSH agree that the purpose of the BO is to address the desert tortoise and not to address general avian and Golden Eagle impacts. USFWS has agreed to amend the BO and that the scope of such amendment will address the new components not already covered by the existing BO (gen-tie line extension and new natural gas pipeline) in the same manner as was done for the Genesis Solar Energy Project (amendment to modify gas pipeline and gen-tie line to connect to new location of Colorado River

Substation) and the Blythe Solar Power Project (amendment to re-route gen-tie line to connect to new location of Colorado River Substation). Based on the USFWS timing of the Genesis and Blythe amendments, PSH is confident that the amended BO can be obtained in a time sufficient to support BLM's issuance of its Record of Decision.

Even though the areas for the gen-tie line and new natural gas pipeline were previously surveyed (see PSH's Data Response 1), USFWS has requested additional desert tortoise surveys for the new components to update the previous surveys. Those surveys have been completed and a Supplemental Biological Assessment will be delivered to BLM by May 13, 2013.

National Historic Preservation Act Section 106 Consultation

As described in Status Report 1, the BLM will be amending the executed Programmatic Agreement (PA). In accordance with Data Request Set 2 and guidance from BLM, PSH has prepared a workplan to update previously performed archaeological field work and to conduct additional surveys outside the original Area of Potential Effect (APE) to evaluate indirect effects of PSEGS' two towers. CEC Staff, PSH and BLM are currently working together to overcome differences in processes to allow the field work to begin right away. It is possible that the field work will not be able to be completed until after Staff issues its Preliminary Staff Assessment (PSA) and if that is the case, PSH proposes that the information be incorporated into the FSA to avoid an overall delay in the Amendment schedule.

OTHER AGENCIES

Riverside County

As the Commission is aware from PSH's presentation at the Site Visit and Informational Hearing, PSH has been working to engage Riverside County in productive discussions regarding potential impacts to the County facilities and services. Riverside County and PSH representatives have met on three separate occasions since Status Report 1. PSH hopes to reach an agreement with Riverside County addressing potential impacts, especially those related to the provision of fire services, as discussed at the May 1, 2013 workshop. The purpose of such an agreement would be to avoid the lengthy and unproductive need for evidentiary adjudication of the fire services issue that took place in the Rice Solar Energy Project and other projects under the CEC's jurisdiction.


California Independent System Operator

On April 22, 2013, the California Independent System Operator (CalSO) wrote a letter concluding that the use of the solar power tower technology at the PSEGS site is not a material modification and therefore approving the change from solar trough to solar power tower technology. The letter will be docketed on May 10, 2013.

At this time, PSH believes that it and Staff can meet all obligations outlined in the Committee Scheduling Order.

Dated: May 8, 2013

Respectfully Submitted,



Scott A. Galati
Counsel to Palen Solar Holdings, LLC



**BEFORE THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT
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AMENDMENT

**FOR THE PALEN SOLAR ELECTRIC
GENERATING SYSTEM**

**Docket No. 09-AFC-7C
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(Revised 4/24/2013)**

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*Indicates change

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DECLARATION OF SERVICE

I, Marie Fleming, declare that on May 8, 2013, I served and filed copies of the attached, **PALEN SOLAR HOLDINGS, LLC'S STATUS REPORT 2** dated May 8, 2013. This document is accompanied by the most recent Proof of Service, which I copied from the web page for this project at: <http://www.energy.ca.gov/sitingcases/palen/compliance/>.

The document has been sent to the other parties in this proceeding (as shown on the Proof of Service) and to the Commission's Docket Unit, as appropriate, in the following manner:

(Check one)

For service to all other parties and filing with the Docket Unit at the Energy Commission:

I e-mailed the document to all e-mail addresses on the Service List above and personally delivered it or deposited it in the US mail with first class postage to those parties noted above as "hard copy required"; **OR**

Instead of e-mailing the document, I personally delivered it or deposited it in the US mail with first class postage to all of the persons on the Service List for whom a mailing address is given.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that I am over the age of 18 years.

Dated: May 8, 2013



Marie Fleming