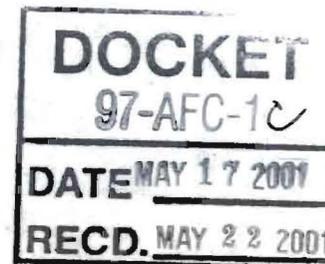


CALIFORNIA ENERGY COMMISSION

1516 NINTH STREET
SACRAMENTO, CA 95814-5512

May 17, 2001



Mr. Neal Parece
Project Director
Constellation Power Source Generation, Inc.
111 Marketplace, Suite 200
Baltimore, MD 21202

SUBJECT: Approval of Request to Change High Desert Power Project Condition AQ-3 to Substitute Low Sulfur Fuel Requirement for Soot Filter Requirement (97-AFC-1C)

Dear Mr. Parece:

California Energy Commission staff have reviewed your request to change the requirement in condition AQ-3 of the High Desert Power Project (HDPP) Commission Decision. The current condition requires use of soot filters on all off-road diesel equipment of 100 bhp or greater. This letter approves the agreed-upon change to eliminate the soot filter requirement and replace it with a requirement to use 15 ppm low-sulfur diesel fuel on most diesel construction equipment of 100 bhp or greater.

As directed by Governor's Executive Order D-25-01, concerning post-certification amendments, we have expedited review of this proposed project modification because statutes and implementing regulations that normally apply to review and approval of this amendment have been suspended. Energy Commission staff have concluded that this modification has no potential for adverse environmental or public health and safety impacts. Therefore, you are authorized to proceed with the project modifications as requested. A copy of this letter will be posted on the Energy's Commission website at www.energy.ca.gov, and we will file a California Environmental Quality Act Notice of Exemption with the State Clearinghouse.

The following is the revised language of Condition of Certification AQ-3 (new wording shown double underlined, deleted wording shown with strikeout).

AQ-1. The project owner shall perform the following mitigation measures during the construction phase of the project:

[a. through m. – No Change]

- n. No construction equipment shall be kept idling when not in use for more than 10 ~~30~~-minutes.
- o. Soot filters shall be used on all large off road construction equipment with an engine rating of at least 100 bhp. ~~All off-road, diesel-fired construction equipment of 100 bhp or greater, that will be employed on~~

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site for more than 2 consecutive calendar weeks, excluding cranes, must comply with CARB 1996 emission standards unless otherwise agreed to in advance by the CPM.

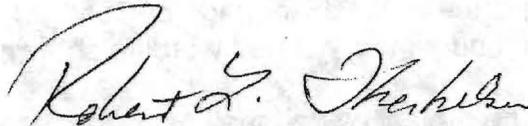
p. Within one month following the commencement of grading activities, all off-road diesel-fired construction equipment that will be employed on site for more than 2 consecutive calendar weeks shall be refueled on site with diesel fuel that has a sulfur content equal to or less than 15 ppm.

Verification: The project owner shall maintain a daily log of water truck activities, including record of the frequency of public road cleaning. These logs and records shall be available for inspection by the CPM during the construction period. The project owner shall identify in the monthly construction reports, the area(s) that the project owner shall cover or treat with dust suppressants. The project owner shall make the construction site available to the District staff and the CPM for inspection and monitoring. The project owner shall submit either CARB certifications or other certification demonstrating compliance with the CARB 1996 off-road diesel engine emission standards. The project owner shall submit purchase receipts for diesel fuel indicating amounts purchased and sulfur content. The certifications and fuel receipts shall be submitted in the next monthly construction compliance report.

The Mojave Desert AQMD approved this change in their District permit for the Blythe Energy Project as communicated in their letter of March 13, 2001. Alan De Salvio of the District indicated to me that the District would grant the same change upon receipt of a written request from HDPP.

If you have any questions, please contact Steve Munro, Compliance Project Manager, at (916) 654-3936, or by e-mail at smunro@energy.state.ca.us.

Sincerely,



ROBERT L. THERKELSEN, Deputy Director
Systems Assessment and
Facilities Siting

cc: Mike Ringer
Alan De Salvio, Mojave Desert AQMD