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October 5, 2010

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| DOCKET | |
| 09-AFC-7 | |
| DATE | OCT 05 2010 |
| RECD. | OCT 05 2010 |

California Energy Commission
Attn: Docket No. 09AFC7
1516 Ninth Street, MS-4
Sacramento, CA 95814-5512

Re: 09-AFC-7 Palen Solar Power Project

Dear Docket Clerk:

Enclosed are an original and one copy of the JOINT STATEMENT and COVER LETTER. Please process the document and provide us with a conformed copy in the envelope enclosed.

Thank you.

Sincerely,

/s/

Valerie Stevenson

:vas
Enclosure

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October 5, 2010

Email and U.S. Mail

Alan Solomon
Siting Project Manager
California Energy Commission
1516 Ninth Street, MS-4
Sacramento, CA 95814-5512

Re: In the Matter of the Application for Certification for the Palen Solar Power Plant Project (California Energy Commission, Docket 09-AFC-7)

Dear Mr. Solomon:

As I said at the prehearing conference on October 5, 2010, we are happy to announce that California Unions for Reliable Energy (CURE) and Palen Solar I, LLC have reached an agreement regarding all of the issues raised by CURE in this proceeding that were not otherwise resolved in the Revised Staff Assessment. The Palen Solar Power Project will benefit the State of California, and represents another significant gain for the State's burgeoning renewable energy sector.

We have been and remain very impressed with Staff's dedication to the timely progression of this proceeding, especially in light of the beneficial modifications to the proposed Project and the very tight timelines for environmental review. We are also pleased that all parties have been able to openly discuss and resolve many of the difficult issues in advance of evidentiary hearings.

The attached Joint Statement of CURE and the Applicant, which summarizes the terms of the agreement and which I briefly described at the prehearing conference on October 5, 2010, is being docketed today. Please post the Joint Statement on the Commission's web page for the Palen Solar Power Project.

2357-050v

Alan Solomon, Siting Project Manager
California Energy Commission
October 5, 2010
Page 2

Thank you for your diligence, professionalism and courtesy during these proceedings. We look forward to working with you and the rest of Staff in the future.

Sincerely,

/s/

Jason W. Holder

JWH:vs
Encl.

ENCLOSURE

JOINT STATEMENT OF

PALEN SOLAR 1, LLC

AND

CALIFORNIA UNIONS FOR RELIABLE ENERGY

October, 2010

Palen Solar I, LLC, which is developing the Palen Solar Power Project, and California Unions for Reliable Energy ("CURE") are pleased to announce that they have reached an agreement to resolve the outstanding issues raised by CURE before the California Energy Commission ("CEC") concerning the Palen Solar Power Project ("Project"). Under this agreement, Palen Solar I, LLC ("PSI") will implement additional measures to avoid and minimize potentially significant impacts to desert washes, special status plants and wildlife, including desert tortoise, during Project construction and operation, and implement a response plan for removing unexploded ordnance and munitions and explosives of concern from the Project site where required prior to Project construction. In consideration of these additional measures as well as those to be imposed by the CEC, CURE believes that the construction and operation of the Project will benefit the State of California.

Under the agreement, PSI agrees to take the following measures:

- A. **Low Impact Development:** PSI will avoid and minimize impacts on biological resources, state jurisdictional waters, and groundwater during construction and operation of the Project.
 - i. A Designated Biologist will be present during the initial site preparation and construction of the rerouted washes to ensure that significant impacts to biological resources are mitigated.
 - ii. A Designated Biologist will supervise the installation of material within the drainage channels to limit the use of concrete and cement to only those areas required by the conditions of certification of its CEC license.
 - iii. Areas of temporary disturbance will be revegetated with native, locally occurring vegetation. Revegetation will occur in the late fall to capitalize on any winter rains and will be conducted using hand removal methods to minimize impacts to wildlife where feasible. The Project area will be monitored at the end of two years to ensure specific success criteria are met in the revegetation areas. The success criteria will be maintained for the life of the Project.

- iv. The artificial drainage system on the Project site will be designed to manage the quality and quantity of the run-off from the Project site and to simulate the pre-existing condition for groundwater infiltration and flooding, at velocities that will be non-erosive. Areas downstream of the diffusers disturbed during construction will be revegetated with native, locally occurring vegetation.
 - v. The artificial drainage system on the Project site will be monitored regularly and after storm events to ensure that it is working properly and performing to its design objectives.
 - vi. The site preparation techniques for the artificial drainage channels, channel design, and channel maintenance procedures will be set forth in a revised Drainage Plan.
 - vii. All employees will be provided with information regarding all protected natural features and the artificial drainage system, explaining the area's biogeochemical, water quality, and flood conveyance functions and values, and outlining activities that are prohibited to adequately protect the channelized drainage features.
- B. Desert Tortoise Relocation/Translocation Plan. PSI will adhere to the latest USFWS guidelines for translocating any desert tortoise found on the Project site. PSI will provide additional detailed information in its Desert Tortoise Relocation/Translocation Plan including descriptions of the site selection criteria and site characteristics and management actions to enhance the sites.
- C. Avoiding and Minimizing Noise Impacts on Birds. PSI will avoid and minimize impacts on nesting birds during construction by avoiding certain construction activities.
- D. Monitoring Evaporation Ponds. PSI will monitor the evaporation ponds or wildlife deaths or entanglements and will develop additional protective measures to further minimize the risk of harm to wildlife if any deaths or entanglements are detected.
- E. Compensation Land and Enhancement Measures. PSI will provide the location, characteristics and acreage of compensation and enhancement lands to CURE pursuant to a non-disclosure agreement.
- F. Protection of Workers and the Public from Potential On-Site Hazards. PSI will conduct an analysis to determine whether unexploded ordnance ("UXO") could be present on site. If UXO is found to be potentially present, PSI will prepare a UXO Identification, Training and Reporting Plan and

will ensure that appropriate screening for UXO is conducted in all areas where construction activities will occur.

**DECLARATION OF SERVICE
Palen Solar Power Plant Project**

Docket No. 09-AFC-7

I, Valerie Stevenson, declare that on October 5, 2010, I served and filed copies of the attached JOINT STATEMENT and COVER LETTER dated October 5, 2010. The original document, filed with the Docket Office, is accompanied by a copy of the most recent Proof of Service list, located on the web page for this project at: http://www.energy.ca.gov/sitingcases/solar_millennium_palen/index.html

The document has been sent to both the other parties in this proceeding (as shown on the Proof of Service list) and to the Commission's Docket Office via email and U.S. mail as addressed below.

I declare under penalty of perjury that the foregoing is true and correct.
Executed at South San Francisco, California on October 5, 2010.

/s/

Valerie Stevenson

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| Alice Harron Senior Director of Project Development 1111 Broadway, 5th Floor Oakland, CA 94607 harron@solarmillennium.com | Michael Cressner, Project Development & Permitting Solar Millennium, LLC 1111 Broadway, 5th Floor Oakland, CA 94709 cressner@solarmillennium.com |
| Arrie Bachrach AECOM Project Manager 1220 Avenida Acaso Camarillo, CA 93012 arrie.bachrach@aecom.com | Ram Ambatipudi Chevron Energy Solutions 150 E. Colorado Blvd., Ste. 360 Pasadena, CA 91105 rambatipudi@chevron.com |
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| <p>California Unions for Reliable Energy (CURE) c/o Tanya A. Gulesserian, Marc D. Joseph Jason W. Holder Adams Broadwell Joseph & Cardozo 601 Gateway Boulevard, Suite 1000 South San Francisco, CA 94080 tgulesserian@adamsbroadwell.com jholder@adamsbroadwell.com</p> | <p>Michael E. Boyd, President Californians for Renewable Energy (CARE) 5439 Soquel Drive Soquel, CA 95073-2659 michaelboyd@sbcglobal.net</p> |
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| <p>ROBERT WEISENMILLER Commissioner and Presiding Member rweisenm@energy.state.ca.us</p> | <p>KAREN DOUGLAS Chairman and Associate Member kldougla@energy.state.ca.us</p> |
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CALIFORNIA ENERGY COMMISSION

Attn: Docket No. 09-AFC-7

1516 Ninth Street, MS-4

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docket@energy.state.ca.us