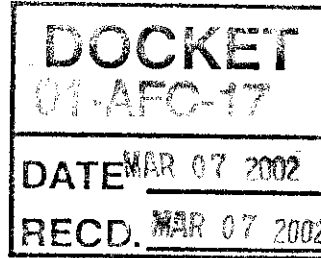


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March 7, 2002

BY HAND DELIVERY

Robert Pernell, Chairman and Presiding Member
James Boyd, Commissioner and Associate Member
California Energy Commission
1516 Ninth Street
Sacramento, CA 95814-2950

Re: Status Report No. 1 -- Inland Empire Energy Center LLC - 01-AFC-17

Dear Commissioners Pernell and Boyd:

Enclosed please find Inland Empire Energy Center, LLC's Status Report No. 1. If you have any questions about the enclosed please do not hesitate to call.

We are forwarding the original plus 13 copies of this Status Report to the Docket Office with a request that one copy be returned to us with our runner.

Sincerely,

Ann L. Trowbridge

ALT:mav

cc: Docket Office (original plus 13, 1 for endorsed return)
Jim Bartridge, Project Manager
Major Williams, Hearing Officer
Paul Kramer, Staff Counsel
Service List

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March 7, 2002

VIA HAND DELIVERY

Commissioner Robert Pernell, Presiding Member
Commissioner James Boyd, Associate Member
California Energy Commission
1516 Ninth Street
Sacramento, California 95814-5512

Re: Inland Empire Energy Center (Docket No. 01-AFC-17): Status Report
No. 1

Dear Commissioners Pernell and Boyd:

Inland Empire Energy Center, LLC (IEEC, LLC) filed its Application for Certification (AFC) of the Inland Empire Energy Center (IEEC) with the California Energy Commission (CEC or Commission) on August 17, 2001. The Commission deemed the AFC data adequate at its December 19, 2001 business meeting. Since that time, IEEC, LLC's efforts have been focused primarily on working diligently to respond to Staff's data requests, participating in CEC-sponsored local hearings and workshops and providing input to Riverside County for its review of the IEEC project. Following is a summary of all activities that have occurred since the AFC was deemed data adequate.¹

Procedural Milestones

CEC Staff issued the Issue Identification Report for the IEEC Project (IIR) on January 14, 2002. The IIR identified potentially significant environmental issues in the areas of air quality, land use, power plant efficiency, socioeconomics and water resources.

The CEC held an Informational Hearing and Site Visit in the local community on January 30, 2002. Approximately 200 people attended the Hearing and Site Visit.

¹ This filing is slightly delayed because IEEC, LLC wanted to include the results of the March 5, 2002 Riverside County Board of Supervisors' meeting agenda item relating to the IEEC project. IEEC, LLC will make every effort to meet the timeframes specified in the Scheduling Order going forward.

While some community members noted concerns regarding the IEEC project, none opposed it. (See Informational Hearing Transcript available on CEC web site.)

A Scheduling Order was issued on February 14, 2002. Based on the status of IEEC project review activities to date, IEEC, LLC believes the review process may be completed pursuant to the Schedule or sooner.

Data Requests and Responses

On January 14, 2002, CEC Staff issued 161 data requests addressing air quality, biological resources, cultural resources, geological and paleontological resources, land use, noise, power plant efficiency and reliability, public health, soil and water resources, transmission systems engineering and visual resources. IEEC, LLC provided most of its responses in two filings submitted on February 13 and 21, 2002. IEEC, LLC requested additional time to respond to certain data requests relating to air quality, noise, soil and water resources and visual resources. IEEC, LLC anticipates filing those data responses by the end of next week.

IEEC, LLC also objected to certain data requests addressing cultural resources, soil and water resources and visual resources because the requested information is not reasonably available to IEEC, LLC, not relevant to the AFC, or not necessary to make a decision on the AFC. IEEC, LLC understands Staff is considering the need for the information requested that IEEC, LLC has objected to.

February 22, 2002 Meeting with Romoland School District

IEEC, LLC representatives met with Romoland School District (District) representatives in Sacramento on February 22. During the meeting, the District explained in greater detail its understanding of school siting issues and IEEC, LLC and the District discussed possible ways to address certain of the District's concerns. IEEC, LLC is hopeful that such communications with the District will continue.

February 26, 2002 Workshop

CEC Staff held a workshop on February 26 in the local community to discuss issues in the areas of air quality, hazardous materials, land use, noise and public health. Staff also explained its approach to analyzing environmental justice issues. IEEC, LLC representatives, intervenors (Romoland School District and California Unions for Reliable Energy) and members of the public attended the workshop. IEEC, LLC provides the following updates regarding actions IEEC, LLC is involved in relating to issues discussed at the workshop.

Air Quality

IIEEC, LLC indicated a willingness to perform additional air quality modeling using more localized meteorological data from March Air Force Base if Staff establishes that the data is complete and conforms with South Coast Air Quality Management District requirements.

Land Use

On March 5, 2002, the Riverside County Board of Supervisors voted unanimously to authorize the County Planning Director to transmit a letter and related materials to the CEC. The letter and materials set forth the County's analysis and conclusions regarding the IIEEC's conformance with local laws, ordinances, regulations and standards. The materials also include conditions the County recommends the CEC include in any project authorization. IIEEC, LLC understands that the County is now finalizing the package for transmittal to the CEC early next week.

Conclusion

IIEEC, LLC appreciates Staff's efforts to thoroughly and expeditiously consider IIEEC, LLC's AFC and looks forward to working with Staff as this process continues.

Very truly yours,

Downey, Brand, Seymour & Rohwer LLP



Ann L. Trowbridge

cc: Inland Empire Energy Center Service List

STATE OF CALIFORNIA

Energy Resources Conservation
and Development Commission

In the Matter of:) Docket No. 01-AFC-17
)
Application for Certification for the) PROOF OF SERVICE
INLAND EMPIRE ENERGY CENTER)
_____)

I, Mary Ann Vitry, declare that on February 7, 2002, I deposited copies of the attached **INLAND EMPIRE ENERGY CENTER STATUS REPORT NO. 1 (Docket No. 01-AFC-17)** in the United States mail at Sacramento, California, with first class postage thereon fully prepaid and addressed to the following:

DOCKET UNIT

Send the original signed document plus the required 12 copies to the address below:

CALIFORNIA ENERGY COMMISSION
DOCKET UNIT, MS-4
Attn: Docket No. 01-AFC-17
1516 Ninth Street
Sacramento, CA 95814-5512
E-mail: docket@energy.state.ca.us

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heild@emwd.org

Electricity Oversight Board
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COUNSEL FOR APPLICANT:

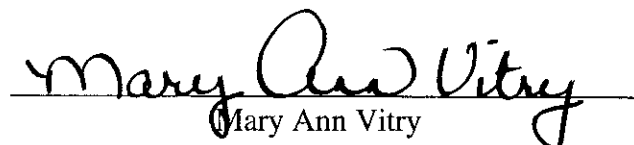
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I declare under penalty of perjury that the foregoing is true and correct.


Mary Ann Vitry