

Scott A. Galati
GALATI & BLEK, LLP
555 Capitol Mall Avenue
Suite 600
Sacramento, CA 95814
(916) 441-6575

STATE OF CALIFORNIA

Energy Resources
Conservation and Development Commission

In the Matter of:

Application for Certification for the
Roseville Energy Project

DOCKET NO. 03 AFC-01

STATUS REPORT NO. 2

On February 2, 2004, the Siting Committee for the Roseville Energy Park (REP) Application for Certification (AFC) issued a Committee Scheduling Order which requested that all parties file status reports on February 26, March 25, and April 29, 2004 to assist the Committee in determining if satisfactory progress is being made on the case and to bring potential schedule delays or other relevant matters to the Committee's attention.

Roseville Electric (RE) has prepared this second Status Report to provide information on the status of the issues relevant to the Committee Schedule.

Air Quality

Staff indicated in the Issue Identification Report that availability of emission reduction credits (ERCs) may be an issue of concern. RE has made considerable progress in securing emissions offsets, recently executing an agreement to purchase enough ERCs to fulfill all of the REP's PM10 requirements and approximately 45 percent of its NOx requirements. Additionally, RE has updated its confidential filing, which identifies specific emission reduction targets with whom it is negotiating. These sources are sufficient to satisfy the balance of REP offset requirements and do not include agricultural burning credits.

RE has been working closely with the Placer County Air Pollution Control District (PCAPCD) and believes that the Preliminary Determination of Compliance (PDOC) review is proceeding as planned. The PCAPCD has scheduled an informational briefing

to its Board regarding the PDOC and represented that the PDOC will be issued on or about April 15, 2004.

Land Use

The CEC Staff identified that the location of some of REP's alternative natural gas pipeline routes may raise concerns with the California Department of Education due to the route location relative to schools proposed in the area. Since filing the AFC, RE has elected to withdraw from consideration the pipeline routes that were within 1,500 feet of any planned school as identified in the West Roseville Specific Plan. With this withdrawal, neither the REP facility nor its gas pipeline route would trigger any additional risk analyses by the CDE for any school district proposing a school as identified in the West Roseville Specific Plan. RE submits a revised map of the pipeline routes confirming the withdrawal with this status report.

Since the last Status Report, the City of Roseville approved the West Roseville Specific Plan (WRSP). Additionally, a lawsuit was filed seeking to overturn the City's approval alleging violation of the California Environmental Quality Act (CEQA). First, the mere existence of the lawsuit does not invalidate the City's approval of the WRSP. In fact, it is our understanding that the WRSP developers are proceeding with preparations for start of construction by summer 2004. Second, the REP AFC evaluated the impacts of the REP with and without the approval of the WRSP. The main difference between the two evaluations is the length of the transmission line. Currently, since the WRSP has been approved and no court has invalidated the approval, the REP's interconnection is approximately 100 feet to a transmission line that was evaluated and approved under the WRSP. In the extremely unlikely event that a court does invalidate the WRSP and the City does not "cure" its approval, the REP transmission interconnection would consist of a new radial transmission line from the REP to Fiddymont Substation. The AFC provides an evaluation of the impacts associated with the new radial transmission line as if the WRSP was not approved. Therefore, the lawsuit should not adversely affect the CEC schedule.

Response to Data Requests

RE is currently preparing its responses to Staff's second round of data requests. Included in RE's responses will be a Biological Assessment that incorporates the recently completed wetlands delineation. With the completed Biological Assessment, RE will file a complete application to the Army Corps of Engineers for a Section 404 permit. A copy of the application will be filed with the CEC under separate cover.

Conclusion

RE has been working cooperatively and diligently to respond to the various data requests and other requests for information that have been received from Staff. RE is committed to working with the CEC Staff to successfully meet each of the milestones that have been set forth in the Scheduling Hearing Order in support of the AFC review process.

Dated: March 25, 2004

Scott A. Galati
Counsel to Roseville Electric