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CALIF ENERGY COMMISSION

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VIA HAND DELIVERY

October 2, 2002

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. 6

Dear Commissioners Pernell and Boyd:

Inland Empire Energy Center, LLC (IEEC) filed the fifth status report, covering actions through June 2002 with the California Energy Commission ("Commission") on July 2nd 2002. Our efforts since then have focused on reviewing the Preliminary Staff Assessment (PSA), participating in PSA workshops, and providing the additional information requested by Commission Staff for completion of the Final Staff Assessment (FSA).

Data Requests and Responses

Based on comments from the Romoland School District (RSD) at the PSA workshop, IEEC's project team has responded to Staff's Data Request 178 with the special consideration zone map that had been requested based on California Department of Education School Siting Guidelines. We used the information provided by RSD in their data response dated May 20, 2002 to locate the potential school sites on the map.

<u>Issue Areas</u>

Air Quality

Calpine is currently working with Riverside County to complete a Memorandum of Understanding to define the road paving projects that Calpine proposes to use for PM₁₀ Emission Reduction Credits (ERCs). In parallel, we are completing an application to South Coast Air Quality Management District ("South Coast") for

ERCs resulting from road paving in Riverside County. Calpine has successfully created PM₁₀ ERCs with road paving for the King City Energy Center in California and is confident that we create similar ERCs for the IEEC.

IEEC's project team is working with South Coast to assist in responding to comments on the Preliminary Determination of Compliance and to support South Coast's issuance of the Final Determination of Compliance (FDOC) by mid-October as South Coast's representative suggested in the PSA workshop.

Biology

IEEC's project team has submitted a detailed response to concerns raised by the U. S. Fish and Wildlife Service that is based on avoiding any potential impacts to vernal-pool fairy shrimp. We expect to resolve their concerns before the FSA is issued without impacting IEEC's Certification schedule.

Land Use

Calpine submitted a detailed map and data response to Commission Staff Data Request 178. The maps clearly demonstrate that the IEEC project site and linears do not have any impact on the ability of RSD to site new schools. As the maps illustrate, the project does not create any additional area of special consideration in the vicinity of the potential school sites under California Department of Education guidelines for any of the proposed school sites (including the Ashby site) in RSD. This is according to the information that the RSD provided in response to Applicant Data Request #1. Additionally, the proposed Ashby school site is also more than ½ of a mile away from the IEEC project site and linears.

Calpine continues to maintain frequent contact with the Economic Development Agency of Riverside County to explore avenues of all possible sources of funding for the RSD made available by the new tax revenue increment resulting from the IEEC project. Our most recent meeting was September 26th.

<u>Visual</u>

Calpine has evaluated several of the options for screening the IEEC project that were discussed in the PSA workshop. A memo describing our findings will be provided to Commission Staff shortly.

Commissioner Robert Pernell, Presiding Member Commissioner James Boyd, Associate Member October 2, 2002 Page 3

Conclusion

IEEC's project team continues to appreciate the diligent efforts of the Commission Staff in reviewing the IEEC AFC and looks forward to receiving the FSA 30 days after the FDOC.

Very truly yours, June & Luckhart

Jane E. Luckhardt

cc: Inland Empire Energy Center Service (01-AFC-17)

Major Williams, Hearing Officer Jim Bartridge, Project Manager Paul Kramer, Staff Counsel Docket Office (12 copies)

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, Lois Navarrot, declare that on October 2, 2002, I deposited copies of the attached **Status Report No. 6** 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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I declare under penalty of perjury that the foregoing is true and correct.

Lois Navarrot