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March 30, 2007

VIA EMAIL AND HAND-DELIVERY

Mr. Christopher Meyer Compliance Project Manager California Energy Commission 1516 9th Street, MS-200 Sacramento, CA 95814

Re: Bottle Rock Power Plant (79-AFC-4C) Pre-Operation Compliance and Submittals

Dear Mr. Meyer:

Please find enclosed Bottle Rock Power Plant's Monthly Construction Progress Report for February 2007, submitted pursuant to Condition of Certification 10-3.

This letter also serves to comply with Condition of Certification 10-4, which provides that: "The project owner will notify the CEC CPM upon completion of each major structure or component." To date, Bottle Rock Power has completed the following major components of the Bottle Rock Power Plant project:

- Steam turbine rotor and blades repaired and refurbished.
- Vacuum pump installed in the condenser system.
- Distributive control system installed.
- Major valves refurbished and reinstalled.
- Existing motors and pumps tested and overhauled.
- 360-degree exterior lighting replaced with inward-facing lighting.
- Data communication line for PG&E and Cal-ISO installed.
- Electrical protection relays installed.
- Instrument air systems installed.

Oregon Washington California Utah Idaho





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- Steam transmission line insulation repaired.
- Steam air ejectors repaired.
- Calgon vessel installed.
- Circulating water system and condenser refurbished.
- Cooling towers:
 - New drift eliminators installed.
 - o Fan motors, blades, drive shafts and gear boxes refurbished.
 - o Tower deck replaced with a fiberglass deck.
- Steam supply system:
 - Main steam isolation valve added before the steam header and after the steam strainer.
 - Variable speed, electric motor-driven pumps installed for the steam stacking device.
 - Redesign of the steam washing system to use hotwell condensate as source of washing water is near completion.
 - Steam sampling point added downstream of the main steam line separator.
 - Stretford H₂S abatement system:
 - New skim line added.
 - Re-designed air spargers installed in the oxidizer tanks.
 - Stretford system venturi, polishing tower, delay tank, and other tanks refurbished and repaired.
 - Continuous H₂S monitor for Stretford sweet gas installed.
 - Stretford control system replaced to make it compatible with the new distributed control system.
 - Stretford H₂S abatement system: Bird vacuum filter system refurbished, sulfur press added as back-up to the system, inline mercury vapor filter added upstream of the Stretford system.
 - Operation and design of the secondary H₂S abatement system changed, adding the use of an iron chelate.
 - Secondary abatement sparger header installed in cooling tower basin.



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As verification of Condition of Certification 10-4, CEC staff or its agent may perform a final site inspection to determine that the finished work is accurately represented by the as-built plans and specifications and conforms with accepted final plans, specifications, and change orders.

If you have any questions regarding this submittal, please do not hesitate to call me.

Very truly yours,

John A. McKinsey

Enclosure

cc: Ronald E. Suess, Bottle Rock Power, LLC

Bottle Rock Geothermal Power Project (79-AFC-4C)

Monthly Construction Progress Report February 2007

Introduction

On 13 December 2006, the California Energy Commission (CEC) approved Bottle Rock Power, LLC's Petition to Amend Final Decision, as specified in Order No. 06-1213-012, which allows the re-start of Bottle Rock Power Plant (BRPP). Bottle Rock Power, LLC (Bottle Rock Power) has commenced construction to refurbish BRPP and is doing so in accordance with the CEC Conditions of Certification placed upon the project.

Structural Engineering Condition of Certification (COC) 10-3 provides that:

"The project owner shall keep CEC CPM informed regarding the status of construction."

As verification of COC 10-3: "The project owner shall submit monthly construction progress reports to the CEC CPM until the start of commercial operation."

Accordingly, Bottle Rock Power submits this Monthly Construction Report for February 2007 in order to comply with COC 10-3. This report provides information on the major activities related to construction at BRPP which were performed as of 28 February 2007, including design changes, engineering work, major equipment procurement, repair, refurbishment, and installation of equipment.

Completed Construction Related Activities

<u>Design</u>

No design work was performed during February 2007.

Engineering

No engineering work was performed during February 2007.

Major Equipment Procurement

No major equipment was procured during February 2007.



Repair, Refurbishment, and Installation

As of 28 February 2007, the following repair, refurbishment, and installation activities have been completed at BRPP:

- Testing on all power plant and interconnection systems continued throughout February.
- Completed relay function tests required by PG&E for interconnection and submitted data to PG&E.
- Steamfield refurbishment:
 - Two existing steam wells were opened for maintenance.
 - A drilling rig was brought onsite and commenced drilling the first of four new steam wells.
- Stretford system primary equipment was repaired.
- Certain Stretford system secondary support equipment repairs were begun.
- Steam-air ejectors were repaired and are now ready for operation.
- All major valves were refurbished and re-installed, and are now being calibrated for remote control operation.
- Electrical protection relays have been installed and continue to be tested as per protocol.
- Control system hardware has been installed and continues to be refined.
- Control system logic has been installed and continues to be refined.
- The steam stacking system was modified and repaired; and is now being tested.
- Electricity metering system was completed and is now being tested.
- Electrical system protection has been completed and is now being tuned for operation.
- Completed secondary hydrostatic testing of condenser system.
- The Stretford abatement system was charged with chemicals and the chemicals were tested for sufficiency of concentrations.
- The Calgon vessel, to remove mercury from the Stretford non-condensible gas stream, was placed in its dedicated location at the Plant.

Future Planned Construction Related Activities

Bottle Rock Power plans to complete the following construction related activities within the next month:

- Perform quality assurance analyses on Stretford solution after charging the system.
- Complete sulphur processing equipment refurbishment and repairs.
- Complete sulphur processing details related to the Bird vacuum filter dehydrator.
- Test sulphur processing system with programmed controls.
- Place the activated carbon material into the Calgon vessel.
- Final testing of the Power Plant fire system.

Bottle Rock Power Plant (79-AFC-4)

Monthly Construction Progress Report, February 2007

- Perform a functional test of the steam jet/air ejectors.
- Install the vacuum pumps and then pull vacuum in the condenser to test.

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- Final test for interconnection communications and relays.
- Test entire steam line and flow maximum steam to the Plant.
- Complete final testing of utility interconnection.
- Test the turbine rotor on turning gear.
- After final installation, test steam ejectors.
- Roll the turbine with steam and test at various rotation speeds.
- Test and tune the Stretford H₂S abatement system for start-up.
- Re-start BRPP and synchronize with the CAISO electricity grid.

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To:

From: "Cook, Allison D." <adcook@stoel.com> <docket@energy.state.ca.us>, <cmeyer@energy.state.ca.us> 3/30/2007 3:12:42 PM Date: Subject: Bottle Rock Power Plant 79-AFC-4

Attached hereto with regard to the above referenced matter, please find Bottle Rock Power LLC's submittals pursuant to Conditions of Certification 10-3 and 10-4. The original documents will follow via hand delivery to the CEC. Should you have any questions, please contact our office at (916) 447-0700.

Allison D. Cook Stoel Rives LLP 770 L Street, Suite 800 Sacramento, CA 95814 (916) 319-4759

CC: "Ron Suess" <ron.suess@gmail.com>, <resuess@cds1.net>, "McKinsey, John A." <JAMCKINSEY@stoel.com>, "Hellwig, Kimberly J." <kjhellwig@stoel.com>