

CALIFORNIA ENERGY COMMISSION

1516 NINTH STREET
SACRAMENTO, CA 95814-5512
www.energy.ca.gov



DOCKET	
06-AFC-2	
DATE	MAY 11 2007
RECD.	MAY 11 2007

May 11, 2007

Alice Grundman, Director
Facilities Planning & Construction
Colton Joint Unified School District
851 S. Mt. Vernon Avenue
Colton, CA 92334

Dear Ms. Grundman,

In our recent telephone conversation, you asked for a written update on the status of the AES Highgrove Project currently under review by the California Energy Commission (Energy Commission). Though it has been more than a year since the application for certification was accepted as complete, there remain some important tasks that are delaying progress on the Energy Commission's review process.

The most significant item in our schedule is the ongoing work of the South Coast Air Quality Management District (District) as they seek to accomplish two interrelated tasks: 1) amending their Priority Reserve Program to provide emission reduction credits for emissions resulting from the operation of power plant projects (this work is expected to be completed by July 13, 2007); and 2) amending the Priority Reserve rules to pave the way for District to issue the Preliminary Determination of Compliance for the Highgrove Project, and allow the Energy Commission to complete its Preliminary Staff Assessment of the project.

AES Highgrove, LLC, is also revising the process water and wastewater components of the project and may be proposing project changes that enhance the project's compatibility with the state's water policy and reduce potential environmental impacts of the project. Staff is expecting this supplemental information to be submitted for analysis in mid-May, 2007.

The efforts of the AES Highgrove team and the State Department of Toxic Substances Control staff have been successful in completing the required Resource Conservation and Recovery Act clean closure process for the detention basins abandoned after the shut-down of the old Highgrove Generating Station. Staff understands that significant progress has been made in developing a plan for demolition of the old Highgrove power plant facility as part of the AES Highgrove Project currently under review.

We will provide notices regarding receipt of the expected supplemental filing from AES Highgrove and will mail and publish notices for all workshops associated with the project. The schedule for future actions, including the publication date of the Preliminary Staff Assessment, cannot be determined at this time.

Please be advised that regular status reports are prepared by AES Highgrove and the Energy Commission staff and posted on the Energy Commission's internet web site at

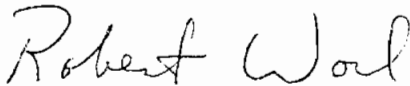
PROOF OF SERVICE / REVISED 5/11/07 FILED WITH
 ORIGINAL MAILED FROM SACRAMENTO ON 5/11/07

Alice Grundman
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www.energy.ca.gov/sitingcases/highgrove/index.html. You can also subscribe to the email list server which is located on the left-hand side of the project's web page. This will insure that you are notified of any project-related filings or notices.

Thank you for your participation in our process and for the information you have provided regarding the status of the Colton Joint Unified School District's new high school project. We look forward to your continued participation in the Energy Commission's process. Should you have additional questions, please call me at 916-651-8853 or e-mail me at rworl@energy.state.ca.us.

Regards,

A handwritten signature in black ink that reads "Robert Worl". The signature is written in a cursive, flowing style.

Robert Worl, Project Manager

Cc: Highgrove Project POS

BEFORE THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT COMMISSION OF THE
STATE OF CALIFORNIA

APPLICATION FOR CERTIFICATION
FOR THE AES HIGHGROVE
POWER PLANT PROJECT

Docket No. 06-AFC-2
PROOF OF SERVICE
(Revised 4/23/07)

INSTRUCTIONS: All parties shall 1) send an original signed document plus 12 copies OR 2) mail one original signed copy AND e-mail the document to the web address below, AND 3) all parties shall also send a printed OR electronic copy of the documents that shall include a proof of service declaration to each of the individuals on the proof of service:

CALIFORNIA ENERGY COMMISSION
Attn: Docket No. 06-AFC-02
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DECLARATION OF SERVICE

I, Joann Gonzales, declare that on May 11, 2007, I deposited copies of the attached Letter to Alice Grundman, Colton Joint Unified School District, in the United States mail at Sacramento, CA with first-class postage thereon fully prepaid and addressed to those identified on the Proof of Service list above.

OR

Transmission via electronic mail was consistent with the requirements of California Code of Regulations, title 20, sections 1209, 1209.5, and 1210. All electronic copies were sent to all those identified on the Proof of Service list above.

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



JOANN GONZALES
Siting Division