LATHAM & WATKINS LLP

July 25, 2008

650 Town Center Drive, 20th Floor Costa Mesa, California 92626-1925 Tel: +1.714.540.1235 Fax: +1.714.755.8290 www.lw.com

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VIA FEDEX

CALIFORNIA ENERGY COMMISSION

Attn: Docket No. 07-AFC-3 1516 Ninth Street, MS-4

Sacramento, California 95814-5512

CPV Sentinel Energy Project: Docket No. 07-AFC-3

Dear Sir/Madam:

Pursuant to California Code of Regulations, title 20, sections 1209, 1209.5, and 1210, enclosed herewith for filing please find Applicant's Proposed Revised Schedule.

Please note that the enclosed submittal was also filed today via electronic mail to your attention.

Very truly yours,

∕Susan V. Low

Secretary to

Michael J. Carroll

of Latham & Watkins LLP

Enclosure

cc:

CEC 07-AFC-3 Proof of Service List (w/encl. via e-mail)

Michael J. Carroll, Esq. (w/ encl.)

Michael J. Carroll LATHAM & WATKINS LLP 650 Town Center Drive, Suite 2000 Costa Mesa, CA 92626 (714) 540-1235 Counsel to Applicant

STATE OF CALIFORNIA ENERGY RESOURCES CONSERVATION AND DEVELOPMENT COMMISSION

In the Matter of:)	Docket No. 07-AFC-3
Application for Certification, for the CPV SENTINEL ENERGY PROJECT by CPV Sentinel, LLC))))	APPLICANT'S PROPOSED REVISED SCHEDULE
	_/	

As directed in the Notice of Status Conference dated July 9, 2008, Applicant hereby provides its proposed revised schedule.

Background

In its recent staff reports, Applicant has expressed grave concerns regarding the extent to which staff review of the project is behind schedule. Relative to the Scheduling Order issued by the Committee on October 15, 2007, project review is now almost five months behind schedule. Applicant understands that modification of the proposed water supply plan for the project has necessarily resulted in some delay in staff's review of the project. However, Applicant is deeply concerned about the extent of the delay in issuance of a Preliminary Staff Assessment ("PSA"). The revised water supply plan was docketed on February 19, 2008 – over five months ago. Under the CEC's standard twelve-month schedule, five months from data adequacy is the time period allotted for production of an entire PSA on a new Application for Certification. Thus, five months is an unduly long period of time for review of the project's proposed water supply plan.

Applicant understands that issuance of the PSA is imminent, and appreciates staff's recent efforts in this regard. Looking forward to the remainder of the CEC proceedings, for the reasons set forth below, it is imperative that every effort be made to make up for time that has been lost.

Applicant's Obligations Under Its Power Purchase Agreement

As the Committee is aware, Applicant has been awarded two power purchase agreements ("PPAs") from Southern California Edison ("SCE") for the full output of the project. The first PPA, which is for five LMS 100 MW units, requires the project to be commercially available by August, 2010. In order to meet this schedule, Applicant must release construction of the first five units of the project by no later than February, 2009. In order to release construction of the first five units by February, 2009, Applicant must have its final CEC certification by the end of the year. Applicant's failure to meet this schedule will mean that SCE will not have approximately 500 MWs of peaking capacity for the 2010 summer peak season – capacity that it has told the California Public Utilities Commission is critically necessary to meet system reliability for that season, and Applicant will itself be subject to severe financial penalties which could jeopardize the viability of the project altogether.

Proposed Schedule

In light of the foregoing, and in recognition of the fact that the PSA has been painstakingly prepared, Applicant recommends the following schedule for the remainder of the CEC proceedings:

Preliminary Staff Assessment:	July

PSA Workshop: August 15 Final Determination of Compliance: August 29

Final Staff Assessment: August 29

September 15

Evidentiary Hearings: October 1

Presiding Member's Proposed Decision: November 15

PMPD Hearing: December 1
Final Decision: December 17

DATED: July 25, 2008 Respectfully submitted,

Michael J. Carroll of LATHAM & WATKINS LLP

Counsel to Applicant

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STATE OF CALIFORNIA ENERGY RESOURCES CONSERVATION AND DEVELOPMENT COMMISSION

In the Matter of:)	Docket No. 07-AFC-3
Application for Certification, for the CPV SENTINEL ENERGY PROJECT)))	ELECTRONIC PROOF OF SERVICE LIST
)))	[July 25, 2008]

Transmission via electronic mail and by depositing one original signed document with FedEx overnight mail delivery service at Costa Mesa, California with delivery fees thereon fully prepaid and addressed to the following:

DOCKET UNIT

CALIFORNIA ENERGY COMMISSION

Attn: DOCKET NO. 07-AFC-3 1516 Ninth Street, MS-4 Sacramento, California 95814-5512 docket@energy.state.ca.us

Transmission via electronic mail addressed to the following:

APPLICANT

Mark Turner

Project Manager CPV Sentinel, LLC 55 Second Street, Suite 525 San Francisco, California 94105 mturner@cpv.com

Dale Shileikis

Vice President URS Corporation 221 Main Street, Suite 600 San Francisco, CA 94105-1917 dale shileikis@urscorp.com

CPV SENTINEL ENERGY PROJECT CEC Docket No. 07-AFC-3

Kathy Rushmore

URS Corporation 221 Main Street, Suite 600 San Francisco, CA 94105-1917 Kathy Rushmore@URSCorp.com

INTERESTED AGENCIES

Larry Tobias

Ca. Independent System Operator 151 Blue Ravine Road Folsom, CA 95630 LTobias@caiso.com

Mohsen Nazemi

South Coast Air Quality Management District 21865 E. Copley Drive Diamond Bar, California 91765-4182 mnazemil@aqmd.gov

ENERGY COMMISSION

James D. Boyd

Presiding Member jboyd@energy.state.ca.us

Jackalyne Pfannenstiel

Associate Committee Member jpfannen@energy.state.ca.us

Kenneth Celli

Hearing Officer kcelli@energy.state.ca.us

Bill Pfanner

Siting Project Manager bpfanner@energy.state.ca.us

Caryn Holmes

Staff Counsel cholmes@energy.state.ca.us

Public Adviser

pao@energy.state.ca.us

<u>CPV SENTINEL ENERGY PROJECT</u> <u>CEC Docket No. 07-AFC-3</u>

DECLARATION OF SERVICE

I, Susan V. Low, declare that on July 25, 2008, I deposited a copy of the attached:

APPLICANT'S PROPOSED REVISED SCHEDULE

with FedEx overnight mail delivery service at Costa Mesa, California with delivery fees thereon fully prepaid and addressed to the California Energy Commission. I further declare that 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. Executed on July 25, 2008, at Costa Mesa, California.

Susan V. Low

Docket Optical System - Docket No. 07-AFC-3

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Attachments: lette001.PDF; revis001.PDF

Pursuant to California Code of Regulations, Title 20, Sections 1209, 1209.5 and 1210, attached please find a PDF copy of Applicant's Proposed Revised Schedule.

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Susan Low Legal Secretary

LATHAM & WATKINS LLP

650 Town Center Drive

20th Floor

Costa Mesa, CA 92626-1925

Direct Dial: +1.714.755.8116

Fax: +1.714.755.8290

Email: susan.low@lw.com

http://www.lw.com

To comply with IRS regulations, we advise you that any discussion of Federal tax issues in this e-mail was not intended or written to be use

For more information please go to http://www.lw.com/docs/irs.pdf

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