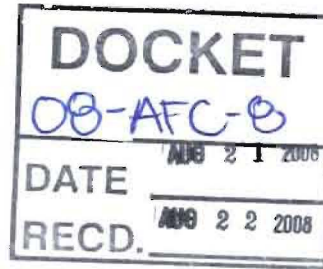




August 21, 2008

VIA OVERNIGHT MAIL

Ms. Eileen Allen
Facilities Siting Program Manager
California Energy Commission
1516 9th Street
MS 15
Sacramento, CA 95814-5504



Re: HECA Site Selection

Ms Allen:

Hydrogen Energy International, LLC (HEI) recently submitted AFC number 08 AFC-8 for the construction of an IGCC with carbon capture and sequestration in Kern County. The application identifies a portion of section 22 as the intended location and also identifies several other alternate locations. After recent meetings with the Department of California Fish and Game (DCFG) and US Fish & Wildlife (USFW), HEI has obtained additional information regarding the biological species expected at the proposed site and its vicinity, in particular the Blunt Nose Leopard Lizard. HEI discussed these early indications with the California Energy Commission (CEC) in an effort to make CEC aware of these issues.

Since the filing date, early results from HEI's biological protocol surveys at the proposed site confirmed the presence of juvenile Blunt Nose Leopard Lizards. As a result of this information and the concerns expressed by DCFG and USFW, HEI has decided to pursue an alternative site as indicated in the AFC for the project. Efforts are fully underway to pre-screen the alternative site in consultation with DCFG and USFW.

Based on this decision to pursue an alternative site, HEI is requesting CEC suspend its review of its AFC until such time as HEI has selected an alternative site and provided the necessary information for CEC to resume its review.

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BP Alternative Energy and Rio Tinto



Ms. Eileen Allen
August 21, 2008
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If you have any questions please feel free to contact me or Gregory Skannal. My contact information is below.

Respectfully,

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cc: Rod Jones, CEC Project Manager
Gregory Skannal, HE HSSE Manager
Dale Shileikis, URS Project Manager