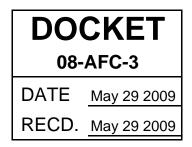
Memorandum

Date: May 29, 2009 Telephone: (916) 654-4894

- To: Vice Chairman James D. Boyd, Presiding Member Chairman Karen Douglas, Associate Member Hearing Officer Paul Kramer
- From: California Energy Commission Mike Monasmith 1516 Ninth Street Sacramento, CA 95814-5512



Subject: MARSH LANDING GENERATING STATION (08-AFC-3) STATUS REPORT 3

Pursuant to the Committee Scheduling Order dated December 31, 2008, the following is staff's Status Report #3 for the proposed Marsh Landing Generating Station (MLGS) Application for Certification (AFC).

Current Activities and Preliminary Staff Assessment

Staff continues to work through the discovery and analysis phase of the MLGS AFC. As indicated in Status Report #2, the Preliminary Staff Assessment (PSA) is predominately ready for release. The primary reason the PSA has not yet been released, however, is due to an incomplete Air Quality section. As the Committee knows, unless instructed to publish a bi-furcated staff assessment, staff can not publish its PSA without an Air Quality section that includes the incorporation of a Preliminary Determination of Compliance (PDOC) issued by the appropriate regional air district; in this case, the Bay Area Air Quality Management District (BAAQMD).

While complete in terms of inclusion within the PSA, the Transmission System Engineering technical section of the MLGS staff assessment will require updating to reflect data responses recently provided by the applicant. The Biological Resources section, while also complete in terms of the PSA, will also need to be updated once the applicant submits air modeling information in terms of nitrogen oxide (NOx) deposition by the MLGS facility. There are a few other sections which will need to be appropriately updated, including Waste Management, prior to the Final Staff Assessment (FSA) publication, as indicated in Status Report #2.

As previously stated, staff will work diligently to complete all outstanding analyses, and will publish the PSA as soon as the PDOC is released, but as the Committee knows, staff can not submit the air quality analysis of the PSA absent the PDOC.

Schedule

Because of the ongoing delay in release of the PDOC, and without any certainty by BAAQMD staff in regard to the release date of the MLGS PDOC, the publication of the Marsh Landing Generating Station PSA will be, at a maximum, thirty (30) days following the PDOC's release.