



October 1, 2009

To:

Commissioner James D. Boyd, Presiding Member Commissioner Jeffrey C. Byron, Associate Member

Subject: Interim Status Report for SES Solar One Project (08-AFC-13)

Dear Commissioners Byron and Boyd:

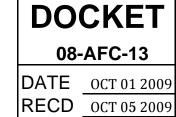
As discussed in our first Status Report dated August 26, 2009, we are making progress in responding to the CEC staff's data requests.

The only outstanding data requests currently are #92 -108 Cultural Resources and 71-73, 76-80 and 85. All of the cultural data and other information will be submitted to the CEC no later than November 21, 2009.

In regards to the project water source, we are completing negotiations on our water supply which requires the Mojave Water Watermaster approval on October 28th. Burlington Northern Santa Fe (BNSF) has had discussions with Tessera Solar regarding the potential to supply water to their project via rail car delivery as BNSF has rail lines that run directly through the proposed Tessera Solar project site. BNSF has requested approval from the Mojave Water Watermaster for the export of water pursuant to two alternatives. Alternative One would include the use of grey water from the BNSF site in Centro Subarea. At this time, approximately 100,000 gallons of grey water are processed daily from the BNSF site in the Centro subarea to the Barstow Waste Water Treatment Facility for final processing of over 36 million gallons per year. The City of Barstow and its Waste Water Treatment Facility are aware of this option and have encouraged it due to the stress on their sewage pipeline and the upgraded waste water treatment facility. Alternative Two would include Free Production Allowance (Non-Grey) Water from BNSF Barstow site in Centro Subarea. If approved by Mojave Water Wastemaster, BNSF would agree to supply Tessera Solar water from the BNSF Barstow site in the Centro Subarea, during operation of the facility, in the amount of 40 acre feet per year.

Regarding the transmission for our project, Stirling Energy Systems (SES) and Tessera Solar are working with the CAISO and SCE on studies necessary to submit applications to the CPUC for the transmission upgrades. Southern California Edison has completed the Optional 2 Study which was submitted to CAISO on September 24th. The results of this study show that the early interconnection alternative is viable, and therefore, Tessera Solar and SES are pursuing this with SCE. A meeting is scheduled for October 13th with SCE to discuss all aspects of scheduling for the filings necessary to the CEC and the California Public Utility Commission (CPUC).

We have also submitted the required application for federal loan guarantees. To qualify for federal funds and their benefits for California, it is critical for us to begin construction early in November 2010. If the schedule follows the timelines laid out in the Committee's Scheduling Order, we need to have the staff's PSA/DEIS published in December 2009, approximately a month after the cultural data responses are submitted. We are also willing to work with the CEC and BLM staff and the Hearing Officer on an alternative schedule that allows a release of a staff assessment and DEIS and a decision no later than late October 2010.



Because of the importance of the schedule for meeting the federal timeframes, we request that the Committee require the staff and applicant to submit monthly status reports. We also request that the Committee hold one or more scheduling conferences between publication of the PSA/DEIS and the FSA/FEIS. This will allow the Committee to understand the progress of resolving issues during the workshop process preceding Committee hearings.

We are extremely concerned about the staff's workload and their lack of resources. We stand ready to assist the Commission in any way we can to obtain additional resources to perform the work for the solar projects eligible for federal funds.

If you have any questions, please contact me at the 602-957-1818.

Respectfully submitted,

Camille Champion Project Manager, SES Solar One



BEFORE THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT COMMISSION OF THE STATE OF CALIFORNIA 1516 NINTH STREET, SACRAMENTO, CA 95814 1-800-822-6228 – WWW.ENERGY.CA.GOV

APPLICATION FOR CERTIFICATION For the SES SOLAR ONE PROJECT

Docket No. 08-AFC-13

PROOF OF SERVICE

(Revised 7/20/09)

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DECLARATION OF SERVICE

I, <u>Corinne Lytle</u> declare that on <u>Oct. 1st, 2009</u>, I served and filed copies of the attached <u>Applicant's</u> <u>October 1 Extra Ordinary Status Report</u>. The original document, filed with the Docket Unit, is accompanied by a copy of the most recent Proof of Service list, located on the web page for this project at: [www.energy.ca.gov/sitingcases/solarone].

The document has been sent to both the other parties in this proceeding (as shown on the Proof of Service list) and to the Commission's Docket Unit, in the following manner:

(Check all that Apply)

FOR SERVICE TO ALL OTHER PARTIES :

<u>X</u> sent electronically to all email addresses on the Proof of Service list;

X by personal delivery or by depositing in the United States mail at ______ with first-class postage thereon fully prepaid and addressed as provided on the Proof of Service list above to those addresses NOT marked "email preferred."

AND

FOR FILING WITH THE ENERGY COMMISSION:

X sending an original paper copy and one electronic copy, mailed and emailed respectively, to the address below (preferred method);

OR

_ depositing in the mail an original and 12 paper copies, as follows:

CALIFORNIA ENERGY COMMISSION Attn: Docket No. <u>08-AFC-13</u> 1516 Ninth Street, MS-4 Sacramento, CA 95814-5512

docket@energy.state.ca.us

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

Original Signed By

Corinne Lytle