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DOCKET	
08-AFC-8	
DATE	<u>OCT 23 2009</u>
RECD.	<u>OCT 23 2009</u>

October 23, 2009

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File No. 045049-0001

VIA FEDEX

CALIFORNIA ENERGY COMMISSION
Attn: Docket No. 08-AFC-08
1516 Ninth Street, MS-4
Sacramento, California 95814-5512

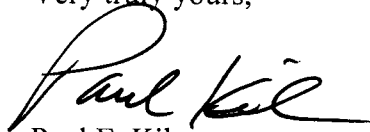
Re: Hydrogen Energy California Project: Docket No. 08-AFC-08

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 Status Report No. 1.

Please note that the enclosed submittal was filed today via electronic mail to your attention and served on all parties to the above-referenced project.

Very truly yours,



Paul E. Kihm
Senior Paralegal

Enclosure

cc: 08-AFC-08 Proof of Service List (w/encl., via e-mail and U.S. Mail)
Michael J. Carroll, Esq. (w/encl.)
Marc T. Campopiano, Esq. (w/encl.)

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STATE OF CALIFORNIA
ENERGY RESOURCES
CONSERVATION AND DEVELOPMENT COMMISSION

In the Matter of:)	Docket No. 08-AFC-8
)	
REVISED APPLICATION FOR)	APPLICANT'S STATUS REPORT NO. 1
CERTIFICATION)	
FOR THE HYDROGEN ENERGY)	
CALIFORNIA PROJECT)	
)	

Pursuant to the Committee Scheduling Order issued on September 28, 2009, Applicant Hydrogen Energy International, LLC hereby files its Status Report No. 1 with respect to the Hydrogen Energy California Project ("HECA").

Schedule

The Revised Application for Certification ("AFC") was deemed data adequate on August 26, 2009. An Informational Hearing and Site Visit was held on September 16, 2009. At this point, the AFC process appears to be on schedule.

Discovery

Applicant received Staff's Data Request Set 1 on October 12, 2009, and is in the process of preparing any necessary objections and responses, both of which will be filed within prescribed time limits. Applicant received data requests from Intervener Association of Irrigated Residents on October 7, 2009, and is in the process of preparing any necessary objections and responses, both of which will be filed within prescribed time limits.

Technical Areas

Air Quality

- On September 30, 2009, the Applicant amended the AFC to remove the LMS100 gas turbine, reducing the turbine stack emissions to 19.8 lbs/hr (from 24) and reducing the PM2.5 emission level below 100 tons/year.
- Effective October 15, 2009, the Applicant entered into a transaction with Big West of California LLC to acquire all of the SOx emission reduction credits (“ERCs”) and nearly all of the NOx ERCs (241 tons) required for HECA. Additional information regarding these ERCs will be provided in response to the CEC Staff data requests identified above.

Public Outreach

Recent public outreach undertaken by the Applicant in connection with HECA includes the following:

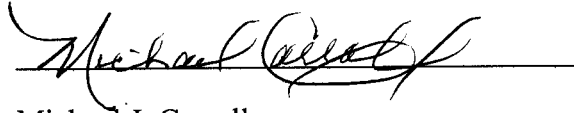
- Issued the first edition of HECA newsletter to over 700 project stakeholders.
- Participated in the Carbon Capture and Sequestration (“CCS”) Public Education Workshop at California State University Bakersfield on September 25, 2009, providing event planning services to the California State University Bakersfield host. This workshop is the 5th in a series and a cornerstone of the CCS Education Initiative. The workshop was widely attended by leaders across all sectors of Kern County and State-wide stakeholder groups.
- Conducted a meeting with Sierra Club and NRDC with extended HECA team in Bakersfield on Saturday, September 16, 2009 to proactively engage in an on-going dialogue with local environmental leaders, to answer questions about the project, and to begin discussion of community benefits planning.

Other Important Developments

- As part of the Clean Coal Power Initiative and the American Recovery and Reinvestment Act of 2009, the Applicant and the U.S. Department of Energy (“DOE”) executed a cooperative agreement on September 28, 2009 to build and operate HECA. The project is being cost-shared by the Office of Fossil Energy, U.S. Department of Energy, and DOE’s National Energy Technology Laboratory will manage the award.

DATED: October 23, 2009

Respectfully submitted,

A handwritten signature in cursive script, reading "Michael Carroll", is written over a horizontal line.

Michael J. Carroll
LATHAM & WATKINS LLP
Counsel to Applicant

**STATE OF CALIFORNIA
ENERGY RESOURCES
CONSERVATION AND DEVELOPMENT COMMISSION**

In the Matter of:) Docket No. 08-AFC-08
)
REVISED APPLICATION FOR)
CERTIFICATION FOR THE HYDROGEN) **PROOF OF SERVICE**
ENERGY CALIFORNIA PROJECT)
) (September 3, 2009)
)
_____)

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HYDROGEN ENERGY CALIFORNIA PROJECT
CEC Docket No. 08-AFC-08

INTERESTED AGENCIES

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HYDROGEN ENERGY CALIFORNIA PROJECT
CEC Docket No. 08-AFC-08

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DECLARATION OF SERVICE

I, Paul Kihm, declare that on October 23, 2009, I served and filed copies of the attached:

APPLICANT'S STATUS REPORT NO. 1

to all parties identified on the Proof of Service List above in the following manner:

California Energy Commission Docket Unit

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

CALIFORNIA ENERGY COMMISSION

Attn: DOCKET NO. 08-AFC-11
1516 Ninth Street, MS-4
Sacramento, California 95814-5512
docket@energy.state.ca.us

For Service to All Other Parties

- Transmission via electronic mail to all email addresses on the Proof of Service list; and
- by depositing one paper copy with the United States Postal Service via first-class mail at Costa Mesa, California, with postage fees thereon fully prepaid and addressed as provided on the Proof of Service list to those addresses **NOT** marked "email preferred."

I further declare that transmission via electronic mail and U.S. Mail was consistent with the requirements of California Code of Regulations, title 20, sections 1209, 1209.5, and 1210.

I declare under penalty of perjury that the foregoing is true and correct. Executed on October 23, 2009, at Costa Mesa, California.


Paul Kihm