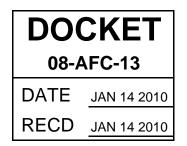
Memorandum

Date: January 14, 2010 Telephone: (916) 653-1639

To: Vice Chair James D. Boyd, Presiding Member Commissioner Jeffrey D. Byron, Associate Member

From: California Energy Commission – Christopher Meyer 1516 Ninth Street Sacramento, CA 95814-5512



Subject: SES SOLAR ONE PROJECT (08-AFC-13) STATUS REPORT #4

Pursuant to the Revised Committee Scheduling Order dated November 24, 2009, the following is Energy Commission staff's Status Report #4 for the proposed Stirling Energy Systems Solar One (SES Solar One) Project.

Current Issues and Activities for Resolution

- On January 8, 2010, the applicant submitted the Geotechnical Engineering Report for the SES Solar One Project. Staff is reviewing this report to determine if it will impact any sections of the Staff Assessment/Draft Environmental Impact Statement (SA/DEIS).
- On January 8, 2010, the applicant submitted the Corridor Conflict Analysis to the Energy Commission. This analysis was prepared for and provided to the BLM in September of 2009. Staff is reviewing this report to determine if it will impact any sections of the SA/DEIS.
- On January 8, 2010, the applicant submitted three California Independent System Operator (ISO) reports for the SES Solar One Project. The package included the Large Generator Interconnection Procedure Optional Study Report dated January 9, 2008, the Final Interconnection Facilities Study Report, and the Interconnection Optional Study dated October 12, 2009. Staff is reviewing these reports to determine if they will impact any sections of the SA/DEIS.
- On December 23, 2009, the applicant submitted the Southern California Edison (SCE) Project Description for the SES Solar One 275 MW Early Interconnection Facilities Report. Staff is using this information for analyzing the potential impacts of a smaller project alternative, as well as analyzing environmental data needs beyond the first point of interconnection, which will include a 500 kV transmission line upgrade from the SCE Pisgah to Lugo substations.
- The applicant is currently working with SCE in reviewing the Lugo to Pisgah transmission line upgrades necessary to transmit the energy from part of SES Solar One Phase 1 and all of Phase 2 to the load centers. The California Public Utilities Commission (CPUC) has jurisdiction over any proposed changes to the Pisgah-Lugo line, but the Energy Commission must analyze all available information about the upgrades as they are part of the "whole of

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PROOF OF SERVICE (REVISED 12/2/09) FILED WITH Status Report #4 ORIGINAL MAILED FROM SACRAMENTO ON 1/14/10 the project" which the Energy Commission, as lead agency, must review. Staff needs to address reasonably foreseeable impacts of the project, including potential impacts of a downstream transmission line upgrade. On October 21, 2009, staff issued a memorandum specific to the transmission system upgrades beyond the first point of interconnection, identifying information needed from the applicant to supplement the information presented in the Application for Certification (AFC). Staff expects that the applicant will provide this information by the end of January of 2010.

- On November 16, 2009, the applicant stated that it would require additional time beyond November 21, 2009 to provide answers to staff's June 17, 2009 Soil and Water data requests. These data requests address fundamental information about the viability of and water quality associated with the development and use of on-site wells. The applicant provided responses to some of the requests on December 4, 2009; however these responses were not complete. Well testing was started the week of January 4, 2010. The submittal of critical well testing information is expected starting the third week of January 2010, possibly extending into February.
- Energy Commission and Bureau of Land Management (BLM) staff conducted the first part of a public workshop on December 22, 2009 that addressed the transmission line issue discussed above, as well as biological and water resources on the project site.
- The workshop was continued to January 5, 2010 to complete the discussion of on-site biological resources. Staff identified 27 outstanding data needs that will be addressed by the applicant in the next weeks. The more significant of these items are listed below:
 - Docket the Hydrologic and Hydraulic Study.
 - Provide information on the expected quality, quantity and duration of presence of water in the evaporation ponds.
 - Provide breakdown of how much of the natural water flow will be channelized into the bleeder lines and how much will be allowed to flow in the natural drainages
 - Complete burrowing owl surveys and provide the survey results to the resource and regulatory agencies.
 - Provide photo-documentation of the Mojave fringed-toed lizardoccupied sand dunes on the project site.
 - Provide additional information on the Swainson's hawk and golden eagle sightings.
 - Calculate acreages for areas that will be regularly mowed, mowed but allowed to re-vegetate, or avoided by mowing.
 - Provided information on the ability of desert tortoise to use move through the project area to the north of the proposed site.
- The Large Generator Interconnection Agreement (LGIA) should be signed between SCE and the applicant in January 2010. Once the LGIA is signed,

SCE will start the environmental and engineering work on the proposed alignment of the 500 kV transmission line upgrade and expanded substation.

 The Energy Commission and BLM cultural resources staff continue to work on resolving questions raised by the preliminary draft cultural resources report submitted by the applicant. The joint agency staffs are presently planning preparation of, under Section 106 of the National Historic Preservation Act, a Programmatic Agreement. Signatories to the agreement would include the BLM, the California State Historic Preservation Officer, the Advisory Council on Historic Preservation, and the Energy Commission. This agreement would identify, consistent with the requirements of the National Environmental Policy Act (NEPA), Section 106, and the California Environmental Quality Act (CEQA), a complete cultural resources compliance process and any required mitigation measures.

Schedule

The applicant has experienced delays in filing critical data responses, including information on the reasonably foreseeable impacts associated with the SCE transmission line upgrade and substation expansion to provide for the full 850 MW project. There are also concerns over the biological and cultural resources information provided. Staff requests that a status conference be scheduled as soon as possible to discuss the project schedule and outstanding data needs.



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 12/2/09)

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DECLARATION OF SERVICE

I <u>Hilarie Anderson</u>, declare that on <u>January 14, 2010</u>, I served and filed copies of the attached <u>Status Report #4</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 documents have 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:

sent electronically to all email addresses on the Proof of Service list;

 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:

 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 <u>docket@energy.state.ca.us</u>

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

Original Signature in Dockets Hilarie Anderson