

DOCKET

06-AFC-2

DATE FEB 02 2010

RECD. FEB 02 2010

February 2, 2010

California Energy Commission
Docket Unit, MS-4
1516 Ninth Street
Sacramento, CA 95814-5512

Re: **NOTICE OF WITHDRAWAL OF APPLICATION FOR CERTIFICATION**
DOCKET NO. (06-AFC-2)

Enclosed for filing with the California Energy Commission is the original of the **NOTICE OF WITHDRAWAL OF APPLICATION FOR CERTIFICATION**, for the AES Highgrove Project (06-AFC-2).

Sincerely,



Marie Mills

Scott A. Galati
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455 Capitol Mall, Suite 350
Sacramento, CA 95814
(916) 441-6575

STATE OF CALIFORNIA
Energy Resources
Conservation and Development Commission

In the Matter of:

Application for Certification for the AES
Highgrove Project

DOCKET NO. 06-AFC-2

**NOTICE OF WITHDRAWAL OF
APPLICATION FOR CERTIFICATION**

Pursuant to Title 20, section 1709.8 and 1707 of the California Code of Regulations, applicant AES Highgrove LLC (AES) hereby files this Notice of Withdrawal of Application for Certification (AFC) for the AES Highgrove Project (Highgrove) 06-AFC-2. AES has been developing Highgrove to supply electricity within Southern California. Highgrove is located in the City of Grand Terrace, California within the South Coast Air Quality Management District (SCAQMD). On May 25, 2006, AES filed an AFC with the California Energy Commission (Commission). That AFC was deemed complete on July 19, 2006. On June 9, 2009, AES filed a request with the Siting Committee that the AFC proceeding be suspended. The Siting Committee granted the Suspension on July 31, 2009.

As the Commission is aware, emission reduction credits are scarce within the South Coast air basin, and AES was planning to utilize the SCAQMD Priority Reserve Bank to satisfy its offset obligations. While AES believes that southern California continues to need the generation Highgrove would provide, the development of Highgrove may no longer be feasible. The ongoing uncertainty of the Priority Reserve Bank, the lack of available emission reduction credits to fully offset the project, and other limitations within the current climate are all factors leading AES to withdraw the AFC at this time.

AES submits this verified statement attesting that AES understands by submitting this document the AFC for the Highgrove Project will be removed from the Commission's review. As Vice President of AES Highgrove LLC, I hereby attest, under penalty of perjury, that the contents of this Notice of Withdrawal of AFC are true and accurate to the best of my knowledge.

Sincerely,



Don Vawter
Vice President, AES Highgrove LLC

January 22, 2010



**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 AES HIGHGROVE
POWER PLANT PROJECT**

Docket No. 06-AFC-2

**PROOF OF SERVICE
(Revised 2/26/2009)**

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ENERGY COMMISSION

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DECLARATION OF SERVICE

I, Ashley Y Garner, declare that on February 2, 2010 I served and filed copies of the attached **NOTICE OF WITHDRAWAL OF APPLICATION FOR CERTIFICATION** dated January 22, 2010. 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:

<http://www.energy.ca.gov/sitingcases/highgrove/index.html>

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:

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

by personal delivery or by depositing in the United States mail at Sacramento, California 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. 06-AFC-2
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 //

Ashley Y Garner