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May 12, 2010

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DOCKET
08-AFC-8

DATE MAY 12 2010

RECD. MAY 12 2010

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. 6.

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)
CERTIFICATION) APPLICANT'S STATUS REPORT 6
FOR THE HYDROGEN ENERGY)
CALIFORNIA PROJECT)
_____)

Pursuant to the Committee Scheduling Order issued on April 22, 2010, Applicant Hydrogen Energy International LLC (Applicant) hereby files its Status Report 6 with respect to the Hydrogen Energy California Project (HECA).

Coordination of HECA and Oxy CO₂ EOR Project

On April 16 and 19, 2010, Oxy submitted to the CEC its engineering analysis for its CO₂ EOR Project. This data submission included the detailed CO₂ EOR Project Description, responses to CEC Staff's subsurface-related questions, and a draft UIC Class II Injection Permit. One element that was not included in the submission was the proposed monitoring, measurement and verification (MMV) protocol, which is still under development by Oxy and will be submitted to the CEC at a later time. These submissions, together with additional information that may be requested by CEC Staff, will allow Staff to complete its review of the Oxy CO₂ EOR Project. The CEC Staff has scheduled a workshop focused on CO₂ EOR and sequestration for May 21, 2010 in Sacramento.

Discovery

Applicant received Staff Data Request Set 1 on October 12, 2009. Certain objections and requests for additional time to respond were filed on November 2, 2009. Subject to the stated objections and requests for additional time, responses to the remainder of Data Request Set 1 were timely filed on November 12, 2009. On December 11, 2009, Applicant filed responses to Staff Data Requests 1, 2, 6 and 19, for which Applicant had requested additional time to respond. On February 1, 2010, Applicant filed responses to Staff Data Requests 17, 65, 77 and 85 through 90, for which Applicant had requested additional time to respond. Also on February 1, 2010, Applicant submitted timely responses to CEC Staff Data Requests Set 2 (Nos. 133 through 152). Subject to objections to

certain data requests, the Applicant has now responded to all outstanding CEC Staff written data requests.

CEC Staff conducted a Data Request/Issues Resolution Workshop on April 12, 2010 in Tupman. Based on discussions during the Workshop, Staff made a number of informal data requests. Applicant is in the process of preparing responses to these additional requests, and expects to provide all of the responses to the CEC Staff by May 31, 2010.

New CEC Staff members have been assigned recently in several topic areas, including Water Resources and Biological Resources. Applicant has hosted, and is planning to host, additional site visits for the purpose of providing new and current Staff with necessary information regarding the HECA Site. Such site visits were held on April 12 and 26, 2010, and another is scheduled for May 19, 2010.

Applicant has not received any additional data requests from interveners.

San Joaquin Valley Air Pollution Control District (SJVAPCD) Preliminary Determination of Compliance (PDOC)

Applicant continues to work closely with the SJVAPCD to provide the information and analysis that it requires to issue the PDOC for HECA. Applicant last met with SJVAPCD staff on May 3, 2010, and now understands that the SJVAPCD has all of the information that it needs to issue a PDOC. Issuance of the PDOC is expected no later than May 28, 2010. As discussed further below, Applicant has discussed with CEC Staff coordination of Part I of the Preliminary Staff Assessment with the issuance of the PDOC by the SJVAPCD.

Public Outreach

- March 10th, the California CCS Coalition was launched in Sacramento with an inaugural meeting of founding members followed by a reception with State policy makers and CCS stakeholders. The CCS Coalition elected its officers to be Sempra Utilities as Chair, Western States Petroleum Association as Vice-Chair; Clean Energy Systems as Treasurer; and HECA as Secretary. At the reception, California Public Utilities Commission President Michael Peevey provided impromptu remarks on the critical importance of CCS to greenhouse gas mitigation with specific mention of HECA as the catalyst to unleash the potential of low carbon power technology for the Western U.S.
- March 12th, HECA conducted meeting with the local Sierra Club chapter and other local eNGOs to discuss community benefits to be provided by HECA following sanction of the project.
- April 15, HECA was a sponsor of the Coalition for Clean Air's annual "Toast to Clean Air" event in Sacramento.
- April 14-16, HECA was a Silver Sponsor and Exhibitor at the North American Carbon World Conference in San Francisco. HECA and the California CCS Coalition participated

and presented on the “Prospects for Carbon Capture and Storage” discussion panel in addition to supporting E3’s presentation of the 2050 GHG report during the plenary session.

- April 23, HECA attended the first meeting of the California CCS Policy Review Panel in Sacramento, California and was invited to present as an early mover project developer at the panel’s next meeting in June.
- HECA and Oxy engineers and technical experts continued working with Atticus Media Design to develop a series of new video and graphic tools that illustrate the behavior of CO₂ in a CO₂ operation and the closed loop mechanisms of CO₂ EOR with Sequestration.
- HECA continued participation in CCS Multi Stakeholder Group (MSG) meetings as a member of the Carbon Sequestration Council and the Texas CCS Association. The CCS MSG is a group of industry and eNGOs working toward consensus-based recommendations to EPA for the regulation of EOR in combination with sequestration. On-going meetings are focused on the development of Monitoring Measurement and Verification (MMV) recommendations for EOR/CCS projects.
- HECA presented to the Bakersfield Chamber of Commerce Energy Committee and Government Relations Committee on the Project.
- HECA met with California State University Bakersfield to launch Geology Department grant to build a physical model of the HECA plant.
- HECA attended and sponsored the Kern County Red Cross annual luncheon, where HECA briefed Congressman McCarthy on Project status.

Other Important Developments

On April 14, 2010, the U.S. Department of Energy (DOE) conducted a public meeting to obtain comments on the scope of DOE’s Environmental Impact Statement (EIS) in Bakersfield. At the public meeting, the Mayor of Bakersfield, representatives of the Buena Vista Water Storage District, Kern Tax, Kern Economic Development Center and others spoke in support of HECA.

Schedule

The Committee’s Scheduling Order dated April 22, 2010 provides for a bifurcated PSA. Part 1 excludes Air Quality, Alternatives and CO₂ EOR and sequestration. PSA Part 2, which includes Air Quality, Alternatives and CO₂ EOR and sequestration, is forecast by the CEC for August 11, 2010. Applicant has had discussions with CEC Staff regarding the importance of Air Quality being included in Part I of the PSA. As noted above, issuance of the PDOC is now expected no later than May 28, 2010. Staff has indicated that it will issue the Part I of the PSA shortly after receiving the PDOC.

DATED: May 12, 2010

Respectfully submitted,

/S/ MICHAEL J. CARROLL

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 |
| |) | |
| APPLICATION FOR CERTIFICATION, FOR THE HYDROGEN ENERGY CALIFORNIA PROJECT BY HYDROGEN ENERGY INTERNATIONAL, LLC |) | PROOF OF SERVICE |
| |) | (May 10, 2010) |
| |) | |
| |) | |
| |) | |

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

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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 May 13, 2010, I served and filed copies of the attached:

APPLICANT'S STATUS REPORT NO. 6

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-08
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 May 13, 2010, at Costa Mesa, California.


Paul Kihm