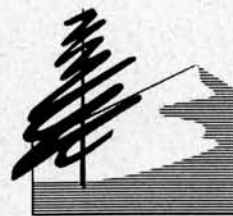


Center for Natural Lands Management

A non-profit organization for the protection and management of natural resources

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January 21, 2011

Lisa DeCarlo, Staff Counsel
California Energy Commission
1516 Ninth Street
Sacramento, CA 95814
ldecarlo@energy.state.ca.us
via email

DOCKET

08-AFC-8

DATE Jan 21 2011

RECD. Mar 03 2011

Subject: Center for Natural Lands Management: Statement of Qualifications and CEC past partnership.

Dear Ms. DiCarlo,

The Center for Natural Lands Management (CNLM) appreciates this opportunity to provide this letter describing our unique qualifications and illustrating an example of our past work with California Energy Commission (CEC). CNLM invites additional discussions and interactions.

CNLM provides a unique service, facilitating the successful implementation of federal, state and private partnerships designed to insure that our natural heritage is protected for future generations. This letter is not to be construed as direct sponsorship of any particular project, but to provide additional information about CNLM.

We have a long, successful record of real estate interest acquisitions resulting from exactions from public and private developers, one designed to protect listed species and wetlands, as required by state and federal conservation laws. However, our focus is not mitigation, but rather protection and conservation of at-risk biodiversity in the interest of the people of the United States and individual states. Mitigation occurs within a regulatory process in which we do not participate.

CNLM Statement of Qualifications

CNLM was founded in 1990 and incorporated as a nonprofit tax exempt organization under section 501(c)(3) of the Internal Revenue Service with the mission to protect sensitive biological resources through professional, science based stewardship of mitigation and conservation lands in perpetuity. CNLM is not an advocacy organization, and does not lobby for or against projects.

We are headquartered in northern San Diego County, and operate satellite offices in

Cruz, Ventura, and Yolo Counties. With 23 employees, CNLM currently manages more than 34,000 acres distributed over more than 70 wildlife preserves throughout California. The preserves are securely funded through perpetual endowments with a total portfolio value of approximately \$50 million.

CNLM Mission and Hallmarks

The mission of CNLM is to (a) conserve native species, their habitat and functioning ecosystems in perpetuity; (b) own and/or manage lands in an ecologically beneficial manner consistent with local, state and federal environmental laws and with science-based stewardship; (c) promote the conservation values of such lands through education; (d) promote and facilitate uses of such lands by the public that preserve the conservation values; and (e) *cooperate with public and private entities in their efforts to protect native species and their habitats for the public benefit.*

To accomplish our mission, CNLM acquires interests in realty. The habitat types where CNLM holds fee title, CEs, or management contracts are diverse and include desert and coastal sand dunes, desert palm oases, coastal sage scrub, vernal pools, marshland, grassland, and riparian forest habitats. We have worked to create sustainable, perpetually protected conservation lands employing a science-based model for efficiently managing natural lands, especially habitats that include endangered plant and animal species, and wetlands. We are focused on ensuring that California's unique natural heritage is protected in perpetuity. We do this by providing a professional process and expertise to ensure that endangered species regulatory and biological requirements are met. Although our primary work has been in California, we have contributed to conservation projects from Alabama to Saipan. We support and facilitate the establishment of habitat conservation/management areas and land banks.

Management at very different spatial and ecological scales has required us to master a broad range of tools to successfully protect critical resources. Our staff has extensive expertise derived from secondary degrees, years of real world experience, and continuing professional development and education. Our success is built upon our ability to work closely and establish successful, effective partnerships with other land owners and managers.

CNLM's stewardship model is one of active participation and adaptive management. CNLM has a strong background in working closely with local interest groups and landowners to protect sensitive habitats while still allowing for access to and education regarding those resources. Our mission includes cooperation with public and private entities in their efforts to protect native species and their habitats for the public benefit.

Communication of critical information among interested parties, and preservation of that information for future interests, analysis and decision-making is critical to long term success. CNLM's management of projects aims to contribute to the evolution of conservation projects and conservation stewardship in a way that maximizes conservation with the least effort and cost.

Recognition as an Industry Leader

By letter dated October 5, 2009, the California Department of Fish and Game (CDFG) informed CNLM that it was approved to hold mitigation lands, conservation easements, and endowments when such are required by CDFG permit or agreement ("Authorized Entity").

By letter dated March 11, 2010, the Land Trust Accreditation Commission officially awarded accreditation to CNLM; the Commission is an independent program of the Land Trust Alliance (LTA). This accreditation documents that CNLM meets the national quality standards established by the land conservation community and recognizes our commitment to excellence and continual learning and improvement. CNLM takes seriously its commitment to complying with the LTA *Standards and Practices*. Accreditation is a mark of distinction in land conservation. It recognizes an organization for meeting national standards for excellence, upholding the public trust, and ensuring that conservation efforts are permanent. As an accredited land trust, CNLM demonstrates our commitment to excellence. We adopted the *Land Trust Standards and Practices*, the ethical and technical guidelines for the responsible operation of a land trust, and meet requirements drawn from them.

The Commonfund highlighted CNLM in its *Mission Matters* publication, winter 2011 issue. The article recognizes the value provided and expertise necessary and maintained by CNLM to be a "good asset manager" and the breadth of our assets and clientele; a copy of the article is available upon request. The Commonfund is an internationally recognized thought and practice leader for financial management of perpetual investments. Commonfund was founded in 1971 to serve the investment needs of educational endowments and their support foundations; in 1999 they expanded their mandate to include the broader nonprofit universe, encompassing private and community foundations, nonprofit healthcare organizations, public foundations and charities as well as a range of cultural and religious institutions. As of September 30, 2010, Commonfund manages over \$25 billion for more than 1,500 institutions.

Appropriate Financial Planning

It is well accepted in the conservation community that protection of natural resources, in the context of human impact and climate change, requires direct action not simply prohibitions, and those actions require funding. If not planned in advance, management-in-perpetuity can escalate into a tremendous capital requirement later. The ideal, of course, is to establish a funding source that provides enough income to cover annual stewardship costs and includes a buffer from the effects of inflation and fluctuations in the financial markets.

As part of CNLM's standard project evaluation, due diligence, and determination of costs for perpetual management process, we conduct a Property Analysis Review (PAR) for each property. The PAR program was created and copyrighted by CNLM as an efficient tool to evaluate the costs of stewardship on conservation and mitigation

properties based on their biological and permit requirements. It is a computerized database methodology and due diligence process for calculating the tasks and costs of providing stewardship for management of conservation lands. It analyzes the specific site characteristics and the requisite tasks and costs associated with managing the property in perpetuity. CNLM has employed it on more than 200 mitigation and conservation properties involving contract management, title in fee, and conservation easements.

Determining, developing, and setting aside appropriate and sufficient financial resources for perpetual management and stewardship is a hallmark of CNLM's objective to satisfy intergenerational equity concerns: to ensure the natural resources and conservation values under our protection today remain protected for future generations.

Policies, Practices, and Procedures

CNLM has Board of Directors' approved policies which guide staff on matters of business operations and practices: acquiring real property interests, financial management and investment principles, easement amendment policies, protected resource stewardship protection, organizational dissolution.

CNLM has written policies which guide staff in acquiring realty and financial interests in conservation property (*Conservation Property Interest Acquisition Policy*, revised July 23, 2009), identifying conditions under which conservation easements might be amended (*Conservation Easement Amendment Policy*, adopted September 2, 2008), enforcing and defending conservation easements (*Conservation Easement Enforcement Policy*, adopted September 2, 2008), and applying appropriate attention to the conservation values of our preserves, to financial resources required to protect those conservation values in perpetuity, and to sustainability (*Preserve Stewardship Policy*, adopted July 23, 2009).

In addition, CNLM has written policies which guide staff and the Board on actions to take in event of dissolution of the organization (*Assignment of Rights and Transfer of Assets in the Event of Dissolution Policy* adopted July 23, 2009), in conflict situations (*Conflict of Interest Policy*, revised July 23, 2009), and in the protection of directors, employees, and volunteers reporting possible ethical or legal misconduct (*Whistleblower Policy*, adopted July 23, 2009).

CNLM Staff Qualifications and Expertise

CNLM has staff with the legal, real estate transactional, accounting, administrative, and biological expertise to provide full depth-of-service for natural resources stewardship, monitoring, restoration, and conservation easement compliance activities. In combined years of experience, we have: in excess of 300 years in the conservation community; in excess of 150 years in science and management of natural resources; in excess of 50 years in administration and operations of non- for profit organizations; in excess of 41 years in financial and accounting management; in excess of 35 years in the (environmental, conservation, and natural resources) legal arena.

Our staff currently includes a full-time Chief Financial Officer, General Counsel, Director of Administration, Director of Conservation Acquisitions, and Director of Conservation Science, all with education and experience above requirements for such positions. Our field staff, some of which have been CNLM preserve managers for over 10 years, are well trained in the principles of conservation biology and most possess postgraduate (M.S. or Ph.D.) degrees.

CNLM's work with CEC: Lokern Natural Area Coordinated Management project

Originally initiated in 1992, the Lokern Natural Area Coordinated Management project (Project) was a multi-stakeholder and agency effort to "cooperatively protect and manage the [Lokern Natural] Area as a natural ecosystem for the benefit of threatened and endangered species and their habitats." (CEC MOU #700-92-101; Memorandum of Understanding for the Management and Protection of the Lokern Natural Area, 1992).

In 1997, the partners agreed to update the MOU, in part as a result of the Nature Conservancy's voluntary decision to turn their lands over to CNLM. CNLM was formally added as the non-profit partner and accepted fee title to multiple properties previously owned by the Nature Conservancy through an amendment to the MOU. CNLM accepted approximately 4,900 acres from the Nature Conservancy.

As part of our active participation, CNLM has purchased approximately 2,700 acres in additional acreage which are managed as part of the Lokern- Semitropic Preserve complex in western Kern County.

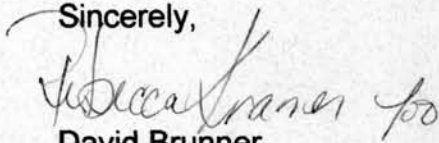
As a direct result of CNLM's involvement, in excess of 7,600 acres of western Kern County are protected on behalf of imperiled species, and professionally managed and stewarded for their continued survival.

Further, in 2000, the CEC and CNLM discussed and negotiated an MOU regarding the Management of Habitat and Endowment Funds. The purpose of the MOU was, in part, to enable "CNLM and the CEC work together to protect habitat in the Semitropic Ridge and Lokern areas of Kern County to complete mitigation efforts for impacts to the San Joaquin kit fox, blunt-nosed leopard lizard, and San Joaquin antelope squirrel. These efforts will assist in the recovery of these species and sustain the San Joaquin Valley's biodiversity. . . *This MOU also addresses preserve habitat management and endowment monies provided directly to the Center by a power plant developer as part of a California Energy Commission Decision involving off-site habitat compensation.*"

CNLM appreciates this opportunity to describe and provide an example of our unique and extensive qualifications in the arena of resource stewardship and management. CNLM invites additional discussions and interactions to provide interested parties with additional examples of our work instrumental in protection of California's imperiled biota.

Please feel free to contact me directly or Rebecca Kramer, Director of Conservation Acquisitions. Our contact information is included below.

Sincerely,



David Brunner
Executive Director
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**BEFORE THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT
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**APPLICATION FOR CERTIFICATION
FOR THE *HYDROGEN ENERGY*
*CALIFORNIA, LLC PROJECT***

Docket No. 08-AFC-8

**PROOF OF SERVICE
(Revised 3/1/11)**

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DECLARATION OF SERVICE

I, Dale Shileikis, declare that on March 3, 2011, I served and filed copies of the attached Center for Natural Lands Management: Statement of Qualifications and CEC Past Partnership, dated January 21, 2011. 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/hydrogen_energy].

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:

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

 by personal delivery;

 X By delivering on this date, for mailing with the United States Postal Service with first-class postage thereon fully prepaid, to the name and address of the person served, for mailing that same day in the ordinary course of business; that the envelope was sealed and placed for collection and mailing on that date 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. 08-AFC-8

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, that I am employed in the county where this mailing occurred, and that I am over the age of 18 years and not a party to the proceeding.