Memorandum

April 16, 2012 Date: Telephone: (916) 651-0966

Commissioner Karen Douglas, Presiding Member To:

Commissioner Carla Peterman, Associate Member

11-AFC-3

DOCKET

DATE APR 16 2012 Eric Solorio From:

California Energy Commission -1516 Ninth Street Siting Project Manager

Sacramento, CA 95814-5512

RECD. APR 16 2012

QUAIL BRUSH GENERATION PROJECT (11-AFC-3), STAFF'S STATUS Subject:

REPORT #2

Per the Committee's Scheduling Order dated March 5, 2012, staff hereby submits its Status Report #2 regarding the proposed Quail Brush Generation Project (QBGP).

Ongoing Discovery

Staff has reviewed the applicant's data responses and is continuing to conduct discovery to develop more information. Staff has filed its Round 3 data requests and will continue to issue subsequent data requests in various technical areas, as the analysis requires.

Cooperation with the City of San Diego

On March 15, 2012, the City of San Diego's Planning Commission decided to continue their hearing on whether or not to accept Quail Brush Genco LLC's application to amend the East Elliot Community Plan. The hearing was continued until April 26, 2012. At some point in the near term, staff anticipates the Planning Commission will allow the applicant to submit an application to amend the community plan, although submission of an application is not in any way an indication that an amendment will be approved.

Staff has previously met with the City to discuss cooperation, attempt to resolve conflicts with existing land use designations and discuss the City's use of our environmental document that would result from the Energy Commission's review of the Application for Certification (AFC). Staff will continue to work with the City of San Diego's staff in an attempt to achieve consistency in the environmental review of the respective applications.

Staff's Outreach to the City of Santee

Prior to staff's March 22, 2012 workshop, staff met with Mr. Keith Till, City Manager of the City of Santee. During that meeting, staff provided an overview of the Energy Commission's siting process, answered questions presented by Mr. Till and generally discussed the City's concerns. On March 28, 2012, the City of Santee's

City Council held a public meeting to receive testimony on the Quail Brush Genco LLC's AFC. During that public meeting, the City Council adopted a resolution opposing the proposed Quail Brush Generation Project. The City notified staff of this action, and staff has docketed the City of Santee's letter and attached Resolution No. 015-2012.

Public Comment and Public Outreach

Staff has received a significant number of public comment letters which express concerns about potential environmental impacts of the proposed QBGP, present questions about the Energy Commission's site certification process and generally voice opposition to the proposed QBGP. In response to the large number of public comments received early in the process and per the Committee's Scheduling Order, staff held a public outreach workshop in order to continue developing a dialogue between staff, members of the public, and agencies interested in the proposed project.

The workshop was held on March 22, 2012, from 5:00 p.m. until 11:00p.m., with approximately 200 people in attendance, including several local television stations. Staff made detailed presentations which covered most of the technical areas involved in staff's review of the AFC, listened to public comments and answered many questions from more than 45 members of the public. Another 15 members of the public filled out requests to comment but did not comment when called, perhaps due to the late hour of the workshop. In short, staff heard public comments and questions for five hours – after staff's presentation. While the workshop did not appear to change public opposition to the project, staff was commended by several people for holding the workshop, explaining how the various technical disciplines conduct their analyses, and explaining the Energy Commission review process.

Future Staff Workshops

During the March 22, 2012 workshop, staff was presented with a petition (docketed as TN 64490) that contains more than 1,000 signatures and or comments in opposition to the proposed project. This level of public interest and the large turnout at the workshop is an indicator of what staff expects to see at future workshops. Considering the level of public interest in this project and the potential for the Committee to approve additional applications to intervene, staff anticipates the standard issue resolution workshops between the parties will need to be much longer in duration and perhaps held more frequently for this particular project.

Because the applicant has requested extensions of time to file some data responses and the City of San Diego has delayed the filing of the application to amend the East Elliot Community Plan, staff will not be holding a workshop during the month of April, as previously planned. Once staff receives the applicant's outstanding data responses and evaluates the information then staff will schedule and notice future workshops, as needed, in order to address substantive issues.

Schedule

Staff is aware that in response to public comment, the applicant is considering making some modifications to the profile of the proposed project. If modifications

are made then the current schedule will be impacted accordingly. When and if the applicant makes such modifications then staff will propose a revised schedule.

Cc: Proof of Service list



BEFORE THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT COMMISSION OF THE STATE OF CALIFORNIA

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APPLICATION FOR CERTIFICATION FOR THE QUAIL BRUSH GENERATION PROJECT

DOCKET NO. 11-AFC-03 PROOF OF SERVICE (Revised 4/12/2012)

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DECLARATION OF SERVICE

I, Diane Scott, declare that on April 16, 2012, I served and filed a copy of the **QUAIL BRUSH GENERATION PROJECT (11-AFC-3), STAFF'S STATUS REPORT #2,** dated April 16, 2012. This document is accompanied by the most recent Proof of Service list, located on the web page for this project at:

http://www.energy.ca.gov/sitingcases/quailbrush/index.html.

The document has been sent to the other parties in this proceeding (as shown on the Proof of Service list) and to the Commission's Docket Unit or Chief Counsel, as appropriate, in the following manner:

(Check all that Apply)

For service to all other parties:

- X Served electronically to all e-mail addresses on the Proof of Service list;
- X Served by delivering on this date, either personally, or for mailing with the U.S. 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 "e-mail preferred."

AND

For filing with the Docket Unit at the Energy Commission:

_X by sending an electronic copy to the e-mail address below (preferred method); *OR* ___ by depositing an original and 12 paper copies in the mail with the U.S. Postal Service with first class postage thereon fully prepaid, as follows:

CALIFORNIA ENERGY COMMISSION - DOCKET UNIT

Attn: Docket No. 11-AFC-3 1516 Ninth Street, MS-4 Sacramento, CA 95814-5512 docket@energy.state.ca.us

OR, if filing a Petition for Reconsideration of Decision or Order pursuant to Title 20, § 1720:

Served by delivering on this date one electronic copy by e-mail, and an original paper copy to the Chief Counsel at the following address, either personally, or for mailing with the U.S. Postal Service with first class postage thereon fully prepaid:

California Energy Commission Michael J. Levy, Chief Counsel 1516 Ninth Street MS-14 Sacramento, CA 95814 mlevy@energy.state.ca.us

I declare under penalty of perjury under the laws of the State of California 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.

Original Signed By:

Diane Scott

Siting, Transmission and Environmental Protection Division