

DOCKET

08-AFC-9

DATE MAR 31 2009

RECD. APR 03 2009

AECOM

AECOM

1220 Avenida Acaso, Camarillo, California 93012-8738
T 805.388.3775 F 805.388.3577 www.aecom.com

March 31, 2009

08-AFC-9

Mr. Gerardo Rios
Chief, Permits Office (AIR 3)
U.S. Environmental Protection Agency
75 Hawthorne Street
San Francisco, CA 94105

RE: Palmdale Hybrid Power Project (PHPP) Application for PSD Permit and Request for Endangered Species Act Consultation and Concurrence

Dear Mr. Rios:

AECOM Environment, on behalf of the City of Palmdale and Inland Energy, Inc., is submitting an application for a Prevention of Significant Deterioration (PSD) permit for the Palmdale Hybrid Power Project (PHPP). The PHPP is a hybrid power plant consisting of combined-cycle power plant integrated with 50 megawatts (MW) of solar arrays for a combined nominal output of 570 MW. Enclosed please find three copies of the PSD Application, as directed by Ms. Shirley Rivera of your staff.

The City and Inland Energy anticipate that the U.S. Environmental Protection Agency (EPA) will initiate consultation with the U.S. Fish and Wildlife Service (USFWS), pursuant to Section 7 of the Endangered Species Act of 1973, as amended, regarding potential impacts to listed species resulting from EPA's issuance of a PSD permit for the PHPP. We have enclosed three copies of a Draft¹ Biological Assessment for the Project to assist you with that consultation, which we anticipate will seek concurrence from the USFWS that the Project *may affect but is not likely to adversely affect* federally listed species.

We also have included CD's with electronic copies of the PSD Application, modeling files and the Draft Biological Assessment. An air quality impact analysis has been conducted to demonstrate that the PHPP will not cause or contribute to violations of the National Ambient Air Quality Standards (NAAQS) during routine operations. The enclosed PSD Application includes the details of this impact analysis.

The City of Palmdale submitted its Application for Certification (AFC) to the California Energy Commission (CEC) on August 4, 2008, and was deemed Data Adequate on October 8, 2008. The Application for a Determination of Compliance (DOC) to the Antelope Valley Air Quality Management

¹ The document is a "Draft" since we consider it up to the agencies to finalize. However, from our standpoint, this is a Final document.

District has also been deemed complete, and the District issued its Preliminary DOC on February 12, 2009.

The contacts at these agencies for the PHPP include:

- ✚ Ms. Felicia Miller, Project Manager, CEC, 916-654-4640, fmiller@energy.state.ca.us
- ✚ Mr. Bret Banks, AVAQMD, 661-723-8070, bbanks@avaqmd.ca.gov
- ✚ Mr. Ray Bransfield, USFWS, 805-644-1766, Ray_Bransfield@fws.gov

At the request of Ms. Shirley Rivera of your staff, we are also sending a copy of the PSD permit application to the U.S. Forest Service for their review, as the Federal Land Manager of the San Gabriel and Cucamonga Wilderness Class I Areas. We will also verify if the National Park Service would like a copy of the application.

We request that EPA work with these other agencies to coordinate the timeline for permit approvals and requirements.

Please call me at (805) 388-3775 if you have any questions or need additional information. We appreciate your assistance with this matter.

Sincerely



Sara J. Head, QEP
Vice President, AECOM Environment
Sara.head@aecom.com

Attachments: PSD Application (3)
Draft Biological Assessment (3)
Compact Disk (CD) with documents and modeling files (3)

cc: Ms. Shirley Rivera, EPA
Ms. Felicia Miller, California Energy Commission (with 1 copy of the attachments)
Mr. Trent Procter, U.S. Forest Service (with 1 copy of the attachments)
Mr. Alan De Salvio, Antelope Valley Air Quality Management District
Ms. Laurie Lile, City Manager, Palmdale
Mr. Tom Barnett, Inland Energy, Inc.
Mr. Tony Penna, Inland Energy, Inc.
Mr. Mike Carroll, Latham & Watkins
Ms. Kim McCormick, Law Offices of Kim McCormick



**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 *PALMDALE HYBRID
POWER PROJECT***

Docket No. 08-AFC-9

PROOF OF SERVICE
(Revised 2/27/2009)

APPLICANT

Thomas M. Barnett
Executive Vice President
Inland Energy, Inc.
3501 Jamboree Road
South Tower, Suite 606
Newport Beach, CA 92660
tbarnett@inlandenergy.com

Antonio D. Penna Jr.
Vice President
Inland Energy
4390 Civic Drive
Victorville, CA 92392
tonypenna@inlandenergy.com

Laurie Lile
Assistant City Manager
City of Palmdale
38300 North Sierra Highway, Suite A
Palmdale, CA 93550
llile@cityofpalmdale.org

APPLICANT'S CONSULTANTS

Sara Head, Vice President
ENSR Corporation
1220 Avenida Acaso
Camarillo, CA 93012
SHead@ensr.acom.com

COUNSEL FOR APPLICANT

Michael J. Carroll
Marc Campopiano
Latham & Watkins, LLP
650 Town Center Drive, Ste. 2000
Costa Mesa, CA 92626
michael.carroll@lw.com
marc.campopiano@lw.com

INTERESTED AGENCIES

*Rick Buckingham
3310 El Camino Avenue, LL-90
State Water Project
Power & Risk Office
Sacramento, CA 95821
E-mail preferred
rbucking@water.ca.gov

*Manuel Alvarez
Robert J. Tucker
SoCal Edison
1201 K Street
Sacramento, CA 95814
Manuel.Alvarez@sce.com
Robert.Tucker@sce.com

California ISO
e-recipient@caiso.com

ENERGY COMMISSION

*JEFFREY D. BYRON
Commissioner and Presiding
Member
jbyron@energy.state.ca.us

ARTHUR H. ROSENFELD
Commissioner and Associate
Member
pflint@energy.state.ca.us

Paul Kramer
Hearing Officer
pkramer@energy.state.ca.us

*Felicia Miller
Project Manager
fmiller@energy.state.ca.us

Caryn Holmes
Staff Counsel
cholmes@energy.state.ca.us

Elena Miller
Public Adviser
publicadviser@energy.state.ca.us

DECLARATION OF SERVICE

I, Teraja` Golston , declare that on April 03, 2009 , I served and filed copies of the attached USEPA Submittal – PSA Permit & Request for Endangered Species Act Consulation (08-AFC-9) Palmdale . 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/palmdale/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:

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

X 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. 08-AFC-9
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 Signature in Dockets
Teraja` Golston