

**DOCKET**

**06-AFC-2**

DATE JUN 09 2009

RECD. JUN 09 2009

June 9, 2009

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

Re: **AES REQUEST FOR PROJECT  
SUSPENSION OF THE HIGHGROVE PROJECT  
DOCKET NO. (06-AFC-2)**

Enclosed for filing with the California Energy Commission is the original of the  
**AES REQUEST FOR PROJECT SUSPENSION OF THE HIGHGROVE  
PROJECT**, for the AES Highgrove Project (06-AFC-2).

Sincerely,



Marie Mills

Scott A. Galati  
GALATIBLEK LLP  
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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**

**AES REQUEST FOR PROJECT  
SUSPENSION OF THE  
HIGHGROVE PROJECT**

Pursuant to section 1716.5 of the California Energy Commission Siting Regulations, applicant AES Highgrove LLC (AES) hereby submits this motion requesting a six (6) month suspension of 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 Air Quality Management District (SCAQMD).

As the Commission is aware, emission reduction credits are scarce within the South Coast air basin. AES was planning to utilize the SCAQMD Priority Reserve Bank to satisfy its offset obligations. Since the rule authorizing use of Priority Reserve Credits has been withdrawn as a result of litigation, Highgrove's permitting effort has essentially been at a standstill. At this time, there are some legislative and legal efforts underway that may allow the use of Priority Reserve emission reduction credits, however there is currently no means to predict if or to what extent these efforts will be successful.

AES continues to believe that southern California needs the generation Highgrove would provide and that development of Highgrove remains feasible. AES requests the Commission suspend the project for a period of six (6) months. If the emission reduction credits issue described above reaches a successful resolution, AES may elect to file to reinstate the AFC proceeding from suspension.

Should AES elect not to proceed after the six month period, it will either withdraw the AFC or provide an update warranting further suspension.

Dated: June 8, 2009

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Scott A. Galati", with a long horizontal flourish extending to the right.

Scott A. Galati  
Counsel to AES



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](http://WWW.ENERGY.CA.GOV)

APPLICATION FOR CERTIFICATION

Docket No. 06-AFC-2

FOR THE AES HIGHGROVE  
POWER PLANT PROJECT

PROOF OF SERVICE  
(Revised 2/26/2009)

**APPLICANT**

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**ENERGY COMMISSION**

**COUNSEL FOR APPLICANT**

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DECLARATION OF SERVICE

I, Ashley Y. Garner, declare that on June 9, 2009, I served and filed copies of the attached **AES REQUEST FOR PROJECT SUSPENSION OF THE HIGHGROVE PROJECT** dated **June 8, 2009**. 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:

[\[www.energy.ca.gov/sitingcases/highgrove\]](http://www.energy.ca.gov/sitingcases/highgrove). 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 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**

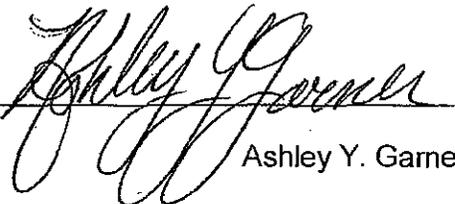
Attn: Docket No. **08-AFC-10**

1516 Ninth Street, MS-4

Sacramento, CA 95814-5512

[docket@energy.state.ca.us](mailto:docket@energy.state.ca.us)

I declare under penalty of perjury that the foregoing is true and correct.

  
\_\_\_\_\_  
Ashley Y. Garner