CALIFORNIA ENERGY COMMISSION
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June 3, 2010

Mr. R. Paul Detwiller, Director
Office of Project Facilitation and Compliance
National Energy Technology Laboratory
United States Department of Energy
626 Cochrans Mill Road
Pittsburg, Pennsylvania 15236

**Subject: California Energy Commission's Participation as a Cooperative State Agency for Hydrogen Energy California [(HECA), 08-AFC-8] Environmental Impact Statement (EIS)**

Dear Director Detwiller:

In response to your letter dated May 20, 2010, to Terrence O'Brien, Deputy Director of the Energy Commission's Siting, Transmission and Environmental Division (Siting), the Energy Commission accepts the United States Department of Energy's (USDOE) formal invitation to be a cooperative state agency in USDOE's preparation of the EIS for the proposed action providing financial assistance to HECA.

Siting staff is currently preparing part 1 of the bifurcated Preliminary Staff Assessment (PSA) for HECA, and hopes to have it completed by late June or early July. Part 2 is targeted for completion in late August. As you are aware, the Energy Commission recently conducted a staff workshop on the proposed carbon dioxide ($CO_2$) capture enhanced oil recovery (EOR) aspects of HECA, and invited the staff of USDOE, Department of Conservation, Division of Oil, Gas, and Geothermal Resources, United States Environmental Protection Agency, and interested agencies, to participate.

We appreciate Michael McMillan attending the workshop and USDOE's overall support in the Energy Commission's efforts to evaluate the HECA Revised Application for Certification for potential licensing. We will schedule a follow up $CO_2$ EOR workshop in early August after we have received and reviewed Occidental of Elk Hills' monitoring, verification and reporting plan.

We look forward to a continued working relationship with USDOE in analyzing environmental concerns pertaining to HECA. Should you have any questions or need assistance, please contact Rod Jones, Project Manager, at (916) 654-5191.

Sincerely,

MELISSA JONES
Executive Director

cc: Terrence O'Brien, Deputy Director, California Energy Commission
Roger Johnson, Office Manager, California Energy Commission
Gregory Skannal, Hydrogen Energy International, LLC
Michael McMillan, United States Department of Energy