CALIFORNIA ENERGY COMMISSION
1516 NINTH STREET
SACRAMENTO, CA 95814-5512
www.energy.ca.gov

September 13, 2007

DOCKET
07-AFC-3
DATE SEP 13 2007
RECD. SEP 13 2007

Craig Ewing, Director of Planning
City of Palm Springs Planning Department
3200 East Tahquitz Canyon Way
Palm Springs, CA 92262

RE: CPV Sentinel Energy Project (07-AFC-3)

Dear Mr. Ewing:

On June 25, 2007, CPV Sentinel, LLC (Applicant), submitted an Application for Certification (AFC) to the California Energy Commission to construct and operate an 850-megawatt (MW) peaking electrical generating facility in Riverside County. On August 1, 2007, CPV Sentinel provided a supplement to the AFC to satisfy our informational requirements. On August 29, 2007, the AFC with the supplemental information was accepted as complete.

The proposed project site consists of 37 acres of land situated approximately eight miles northwest of the center of the City of Palm Springs. Portions of the proposed construction laydown area and gas line would lie within Palm Springs city limits.

The Energy Commission has the exclusive authority to license all new or modified power facilities, 50 MW or greater in the state (Public Resources Code section 25500). This license takes the place of all other state, regional, or local permits (e.g., conditional use permit), and other entitlements for use that would otherwise be required. During the review process we carefully examine public health and safety, environmental impacts, and engineering aspects of proposed power plants, and all related facilities such as electric transmission lines and natural gas and water pipelines. Our responsibilities are those of a lead agency under the California Environmental Quality Act (CEQA), except the Energy Commission's analysis includes multiple environmental and decision documents rather than an Environmental Impact Report.

As part of the licensing process, we must determine whether a proposed facility complies with all applicable state, regional, and local laws, ordinances, regulations, and standards (LORS) (Public Resources Code section 25523(d)(1)). The Energy Commission must either find that a project conforms to all applicable LORS or make specific findings that a project's approval is justified even where the project is not in conformity with all applicable LORS (Public Resources Code section 25525).

We are interested in working with you and your staff to understand the City's position related to the land use, traffic/transportation, visual resources, and any other aspects of the project that may be of concern to your agency (Title 20, California Code of Regulations section 1714.5). We would like to incorporate the City's input and address any concerns it may have in our Preliminary Staff

PROOF OF SERVICE (REVISED 8/29/07) FILED WITH
ORIGINAL MAILED FROM SACRAMENTO ON 9/13/07 TP

Assessment (PSA). We expect to release the PSA for public review and comment early next year.

Land Use

According to the AFC, portions of the construction laydown area are designated by Palm Springs as Industrial (I) with a Wind Overlay and zoned as Energy Industrial (E-I). Storage of materials, machinery, trucks, and other vehicles would be the proposed uses in this area. As stated in the AFC, the E-I zone is intended to provide areas for alternative energy development and limited industrial uses and would normally require a Conditional Use Permit for the temporary storage uses from the City of Palm Springs if not for the exclusive siting authority of the Energy Commission. Similarly, the pipeline right-of-way travels through the Manufacturing (M-2) zone, which is intended to provide for the development of industrial uses, and also would require a conditional use permit if not for the exclusive siting authority of the Energy Commission. Also, one parcel adjacent to the east of the gas line is zoned One-Family Dwelling (R-1) and as stated in to the AFC, the installation of a gas pipeline requires a Public Use Permit in the R-1 zoning district.

Prior to making findings for its license, the Energy Commission needs to know what conditions for the Conditional and Public Use Permits the City of Palm Springs would attach to this project, were it the permitting agency. Any conditions recommended by the City of Palm Springs will be considered by Energy Commission staff for inclusion in the conditions of certification for the project. As part of the City's discussion of the Conditional and Public Use Permits, we are also interested in understanding the City's position on those aspects of the CPV within the City limits and their consistency with the City of Palm Springs General Plan and Zoning Ordinance.

It is also our understanding that the City of Palm Springs has released a Draft General Plan that it expects to adopt by fall 2007. Please state whether any of the land use designations cited above would be changed by the adoption of the 2007 General Plan.

Traffic and Transportation

The Traffic and Transportation section of the AFC (pages 7.10-1 through -31) presents the applicant's assessment of the proposed project's consistency with the City of Palm Springs' traffic and transportation plan, policies and regulations. We would like to know whether the applicant's traffic/transportation information is complete and accurate and what traffic/transportation conditions, if any, would be required.

Visual Resources

The Visual Resources section of the AFC (pages 7.11-1 through -26) outlines the applicant's assessment of the proposed project's consistency with City of Palm Springs' aesthetic/visual regulations, architectural design review, landscape requirements, and scenic area regulations for the site. We would like to know whether the applicant's visual information is complete and accurate and what aesthetic/visual conditions, if any, would be required.

We request that the City of Palm Springs provide a letter by October 19, 2007 addressing the land use, traffic and transportation, and visual resources questions noted above. In your review of the AFC, if you have any other issues or concerns, or need additional time to respond, please let us know. Please contact Eric Knight, Community Resources Unit Supervisor, by phone at (916) 653-1850 or by email at eknight@energy.state.ca.us should you have any questions or need additional time.

Sincerely,

Paul C. Richins, Jr., Manager
Environmental Office
Energy Facilities Siting Division

cc: Docket (07-AFC-3)
Proof of Service List

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

APPLICATION FOR CERTIFICATION FOR THE *CPV SENTINEL ENERGY PROJECT*
Power Plant Licensing Case

Docket No. 07-AFC-3
PROOF OF SERVICE
(Established 8/29/07)

INSTRUCTIONS: All parties shall 1) send an original signed document plus 12 copies OR 2) mail one original signed copy AND e-mail the document to the web address below, AND 3) all parties shall also send a printed OR electronic copy of the documents that shall include a proof of service declaration to each of the individuals on the proof of service:

CALIFORNIA ENERGY COMMISSION
Attn: Docket No. 07-AFC-3
1516 Ninth Street, MS-4
Sacramento, CA 95814-5512
docket@energy.state.ca.us

APPLICANT

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INTERVENORS

None to date

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DECLARATION OF SERVICE

I, Terry Piotrowski, declare that on September 13, 2007, I deposited copies of the attached Letter to the City of Palm Springs Planning Department in the United States mail at Sacramento, California with first-class postage thereon fully prepaid and addressed to those identified on the Proof of Service list above.

OR

Transmission via electronic mail was consistent with the requirements of California Code of Regulations, title 20, sections 1209, 1209.5, and 1210. All electronic copies were sent to all those identified on the Proof of Service list above.

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

Terry Piotrowski
Siting Office