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

Mr. Paul Clark, Principal Planner
Riverside County Office of Planning
82675 US Highway 111, Suite 209
Indio, CA 92201-5690

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

Dear Mr. Clark:

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 City of Palm Springs. The power plant site, proposed electrical transmission line, as well as portions of the proposed construction laydown area and natural gas line are located within unincorporated Riverside County.

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 County'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,

PROOF OF SERVICE (REVISED 8/29/07) FILED WI
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California Code of Regulations section 1714.5). We would like to incorporate the County's input and address any concerns it may have in our Preliminary Staff Assessment (PSA). We expect to release the PSA for public review and comment early next year.

Land Use

The 37-acre power plant site consists of three separate Assessor's Parcel Numbers (APNs): 668-130-005, 668-130-007, and 668-140-001. Approximately six months prior to initiating construction, CPV Sentinel anticipates merging the three project parcels by filing an application for a Certificate of Parcel Merger with Riverside County Planning Department. In its AFC, CPV Sentinel stated that the parcel merger is a ministerial process that the County typically approves within one month of application submittal. The Energy Commission needs to know the County's timeline for granting the parcel merger and what conditions (if any) Riverside County would place on the parcel merger. Also, please cite the section of the zoning or other code that states the findings the County would make for the merger.

As stated in the AFC, the Riverside County General Plan land use designation for the site and proposed transmission line is Public Facilities (PF); the site is zoned W-2 (Controlled Development Area). According to the AFC, allowed uses in this land use designation include electric generating stations; permitted uses in this zoning district include structures and the pertinent facilities necessary and incidental to the development and transmission of electrical power and gas. Portions of the construction laydown area are designated by Riverside County as Rural Desert (RD) and zoned as W-E (Wind Energy Resource). The storage of vehicles, machinery and materials would be a proposed use in the construction laydown area.

Prior to making findings for its license, the Energy Commission needs to know whether, as stated in the AFC, the project would normally require a conditional use permit but for the exclusive authority of the Energy Commission and if so, what conditions Riverside County would attach to this project, were it the permitting agency. Any conditions recommended by the County will be considered by Energy Commission staff for inclusion in the conditions of certification for the project. As part of the County's discussion of the conditional use permit, we are also interested in understanding the County's position on the proposed project's consistency with its General Plan and Zoning Ordinance.

Also, the project's exhaust stacks would exceed the County's height limit of 75 feet (Riverside County Zoning Ordinance, Article XV W-2 Zone) and the project would normally need a variance from the County, but for the Energy Commission's exclusive licensing jurisdiction. Similar to the discussion on the conditional use permit, we need to know whether, in the County's opinion, a variance could be granted and if so, what conditions Riverside County would require were it the

permitting agency. Please cite the section of the zoning or other code that states the findings the County would make for a variance, were it the permitting agency.

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 Riverside County's 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 -21) outlines the applicant's assessment of the proposed project's consistency with Riverside County's 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 Riverside County provide a letter by October 19, 2007 addressing the land use, traffic/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 Riverside County Office of Planning 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