January 25, 2012

DOCKET
05-AFC-3
DATE Jan. 25, 2012
RECD. Jan. 26, 2012

Mr. Robert Worl
Siting Project Manager
California Energy Commission
1516 Ninth Street
Sacramento, CA 95814-5512

Subject: STATUS REPORT #10 FOR THE SUN VALLEY ENERGY PROJECT (05-AFC-3)

Dear Mr. Worl,

Pursuant to the terms of the Commission's Order Suspending Proceeding dated May 31, 2011, Valle Del Sol Energy, LLC submits Status Report #10 for the Sun Valley Energy Project. The Sun Valley Energy Project (SVEP) is a 500-megawatt natural gas-fired peaker plant that will be located in the City of Menifee, California. We believe SVEP represents an ideally-sited opportunity to add peaking generation to efficiently integrate renewable energy to the Los Angeles basin grid as it becomes necessary. The site is located on 50 acres of former farm land 30 yards southwest of the Valley Substation and will feature five General Electric LMS-100 gas turbines.

At this time, Valle Del Sol has demonstrated its ownership of all required VOC ERCs, however, is still challenged by the lack of available PM_{10} and SO_x ERCs that is affecting the entire SCAQMD region. We will continue to monitor this issue and work with SCAQMD to assess all potential solutions. Valle Del Sol's affiliate's nearly identical Walnut Creek Energy Park (WCEP) was successful in Southern California Edison's 2008 power contract solicitation and in finding an ERC solution that allowed WCEP to advance to construction last spring. We greatly appreciated the Commission's assistance in that matter and plan to provide updates on any changes relating to the progress of SVEP.

Additionally, in prior communication, a question was raised regarding the status of the temporary railroad crossing application that Valle Del Sol submitted in 2008 to the Riverside County Transportation Commission. The purpose of this application is to provide additional site access during construction of the Project. We are currently evaluating the status of this matter and will provide the Commission with an update in our next report.

Sincerely,

Heather MacLeod

Heather MacLeod
Valle Del Sol Energy, LLC

CC: Service List

BEFORE THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT COMMISSION OF THE STATE OF CALIFORNIA
1516 NINTH STREET, SACRAMENTO, CA 95814

APPLICATION FOR CERTIFICATION
For the SUN VALLEY ENERGY PROJECT (SVEP)

Docket No. 05-AFC-3
PROOF OF SERVICE *(Revised*

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Indicates change

DECLARATION OF SERVICE

I Shawn Prentiss, declare that on January 26, 2012, I served and filed copies of the attached **STATUS REPORT #10 FOR THE SUN VALLEY ENERGY PROJECT** dated, January 26, 2012. The original document, e-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/sitinqcases/sunvallev

The documents have 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__ Served electronically to all e-mail addresses on the Proof of Service list;

__X__ Served by delivering on this date, either personally, or for mailing with the U.S. Postal Service with first-class postage thereon fully prepaid, to the name and address of the person served, for mailing that same day in the ordinary course of business; that the envelope was sealed and placed for collection and mailing on that date to those addresses **NOT** marked "e-mail service preferred."

AND

For filing with the Docket Unit at the Energy Commission:

____ by sending an original paper copy and one electronic copy, mailed with the U.S. Postal Service with first class postage thereon fully prepaid and e-mailed respectively, to the address below (preferred method); ***OR***

____ by depositing an original and 12 paper copies in the mail with the U.S. Postal Service with first class postage thereon fully prepaid, as follows:

docket@energy.state.ca.us

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

/s/

Shawn Prentiss