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Thomas M. Barnett
Executive Vice President

February 1, 2008

Ms. Tonya Moore
California Department of Fish and Game
Region 6-Inland Deserts Region
3602 Inland Empire Boulevard, Suite C-220
Ontario, CA 91764

Subject: Habitat Compensation Ratios for VV2 Power Project

Dear Ms. Moore:

As you know, the City of Victorville, as the applicant for the Victorville 2 Power Project (VV2 Project), has proposed a habitat compensation ratio of 1:1 to mitigate VV2 Project impacts to desert tortoise (DT) and Mohave ground squirrel (MGS). This ratio is based on the biological information provided in:

1) the Application for Certification (AFC) submitted to the California Energy Commission (CEC);
2) the Biological Assessment (BA) prepared for the VV2 Project and submitted to the U.S. Fish and Wildlife Service (USFWS) to support Section 7 consultation requirements under the federal Endangered Species Act (ESA), and to the California Department of Fish and Game (CDFG) to support a Section 2081 permit under the California Endangered Species Act (CESA);
3) the regional planning documents discussed in "Habitat Compensation in the West Mojave Urban Interface: Surety and Equitable Precepts" (Egan 2007), a "White Paper" submitted to CDFG on September 13, 2006;
4) the West Mojave Plan Amendment to the California Desert Conservation Area Plan, which contains habitat compensation ratios recommended by the U.S. Bureau of Land Management (BLM); and
5) permits with compensation ratios recently required by CDFG for projects in the vicinity of the VV2 Project.

This information supports the City's recommended habitat compensation ratio. A summary of the basis for a 1:1 habitat compensation ratio for DT and MGS is as follows:

- The VV2 Project is located in an urban interface area that has been regionally recognized as a significant urban development zone since the early 1990s, and where substantial habitat loss has occurred and is expected to continue, as discussed more fully in the White Paper referenced above.
- The VV2 Project area has not been recognized as unique or critical to the continued persistence of DT or MGS populations. The nearest DT critical habitat unit is located several miles north of the VV2 Project site. No habitat has yet been designated as critical for the MGS, but habitat recognized as "crucial" by resource agencies is situated over 50 miles to the north of the VV2 Project.
- The "California Statewide Desert Tortoise Management Policy" (BLM and CDFG 1992) identifies existing habitat disturbance and pending urban development areas and characterizes DT habitat on public lands in the VV2 Project vicinity as Category III habitat, with a recommended compensation ratio of 1:1. CDFG similarly has required DT habitat impacts on private lands situated in proximity to Category III DT habitat to be compensated at a 1:1 ratio.
- The "West Mojave Plan, a Habitat Conservation Plan and California Desert Conservation Area Plan Amendment" (BLM 2005), recommends a compensation ratio of 0.5:1 for actions in the VV2 Project area.
- In 2005, CDFG issued CESA Section 2081 Permit No. 2081-2005-002-06 for the Victor Valley Wastewater Reclamation Authority (VVWRA) Wastewater Treatment Plant Expansion that required a 1:1 compensation ratio for DT and MGS habitat impacts. The VVWRA wastewater plant is located less than 0.7 mile southeast of the VV2 power plant site. This ratio was applied to the 2005 VVWRA expansion in spite of the fact that an earlier 2000 VVWRA project was required to mitigate at a 3.27:1 ratio.
- In 2004, CDFG issued CESA Section 2081 Permit No. 2081-2004-021-06 for the Forecast Homes housing development at Highway 395 and Bear Valley Road (Victorville) that required a 1:1 compensation ratio for MGS habitat impacts.
- In 2004, CDFG issued CESA Section 2081 Permit No. 2081-2004-007-06 for the Frontier Homes housing development at Seneca Road and Aster/Daisy Roads (Adelanto) that required a 1:1 compensation ratio for MGS habitat impacts.
- In 2004, CDFG issued a CESA Section 2081 Permit No. 2081-2004-034-06 for the CMC housing subdivision and associated commercial development at the intersection of Civic Drive and Roy Rogers Drive (Victorville) that required a 1:1 compensation ratio for MGS habitat impacts.

- In 2003, CDFG issued CESA Section 2081 Permit No. 2081-2003-022-06 for the Foxborough Industrial Site subdivision at Nisquali Road, east of Hesperia Road and west of the Burlington Northern Santa Fe (BNSF) railroad alignment (Victorville), that required a 1:1 compensation ratio for MGS habitat impacts.
- In 1999, CDFG issued CESA Section 2081 Permit No. 2081-1999-050-6 for the High Desert Power Project, located about three miles directly south of the VV2 Project site that required a 1:1 compensation ratio for MGS and DT habitat impacts.

Based on this information, we believe a 1:1 compensation ratio is reasonable, is supported by the best available scientific information, fully supports CDFG policy and fully mitigates impacts to both of these species.

Sincerely yours,

Thomas M. Barnett
Executive Vice President

cc: Denyse Racine, California Department of Fish and Game
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