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MEMORANDUM OF UNDERSTANDING
BETWEEN THE CALIFORNIA ENERGY COMMISSION, THE BUREAU OF LAND MANAGEMENT AND THE AIMS CORPORATION

FOR DESIGN REVIEW, PLAN CHECK, AND CONSTRUCTION INSPECTION OF THE RIDGECREST SOLAR POWER PROJECT 09-AFC-9C, CACA-049016

RECITALS:

A. On September 1, 2009, Solar Millennium, LLC (SMLLC), filed an Application for Certification with the California Energy Commission (Energy Commission) and an Application for Right of Way (ROW) and Plan of Development with the Bureau of Land Management (BLM) for approval to construct and operate the Ridgecrest Solar Power Project (project), a solar electric generating facility with a nominal net electrical output of 250 megawatts. The project site is in the high northern Mojave Desert in northeastern Kern County, California, about five miles southwest of the City of Ridgecrest, California.

The Energy Commission is the lead agency for the purpose of California Environmental Quality Act (CEQA) compliance. The BLM is the lead Federal agency for the purpose of National Environmental Policy Act (NEPA) compliance. Pursuant to the Federal Land Management and Policy Act ("FLPMA", 43 U.S.C. § 1701 *et seq.*) the BLM has exclusive permitting authority for power plant projects located on BLM administered public lands.

B. In the event both the Energy Commission and the BLM approve the project, the Energy Commission and BLM must ensure that the project is designed, constructed, and operated in conformity with the Decisions of the Energy Commission and the BLM. The project proponent must comply with 43 CFR Part 2800 the California Building Standards Code (CBSC)[1], the local building codes adopted by Riverside County, and other applicable laws, ordinances, regulations, and standards (LORS) to ensure health and safety and protection of the environment. The Energy Commission's decision contains the Energy Commission's Conditions of Certification for construction and operation of the project. The BLM's decision contains requirements for land surface restoration, compliance with air, water, and facility siting requirements, public land resource damage control and/or prevention, facilities maintenance and operation, and requirements for compliance with State standards for public health and safety, environmental protection and siting, construction, operation, and maintenance when those standards are more stringent that Federal standards contained in 43 CFR §2802.11(b). The BLM and Energy Commission decisions are hereinafter referred to as the "Decisions." Any work undertaken by SMLLC, its

[1] The California Building Standards Code (CBSC) references the 2007 edition or the most current edition, including but not limited to specified sections. Referenced section numbers may change if a more updated edition is used.

representatives or affiliates prior to the issuance of the Decisions shall be performed at the sole risk of SMLLC. Neither the Energy Commission nor the BLM guarantee the approval of the project by executing this Memorandum of Understanding (MOU).

C. If the project is approved, the Decisions will require that SMLLC, or the current ROW grant holder, submit engineering plans, calculations, specifications, and other project-related information (as required by §§105.3 and 106.1 in appendix Chapter 1 of the CBSC and the ROW grant) to the CBO for the project, for review and approval, prior to and during construction of the project. The intent of this requirement is to provide an independent review of the project's final design and inspections of the project's construction, to ensure compliance with applicable engineering LORS, the local building codes, the CBSC, and the Facility Design, Geology, and Transmission System Engineering Conditions of Certification, the Storm Water Pollution Prevention Plan (SWPPP) and Drainage, Erosion and Sediment Control Plan (DESCP),[2] and the and terms and conditions of the ROW grant.[3]

D. The design review, construction inspections and necessary approvals prior to and during construction will be provided by The AIMS Corporation, a fully qualified third party contractor experienced in providing industrial building official services, which will act on behalf of and as the Energy Commission's and the BLM's Chief Building Official (CBO) to ensure independent review of the project.

THE AIMS CORPORATION, ENERGY COMMISSION AND BLM AGREE AS FOLLOWS:

1. The above recitals are incorporated into this MOU.

2. The AIMS Corporation shall act as the Energy Commission's and BLM's CBO for enforcement of local building codes; the CBSC; the Facility Design, Geology and Transmission System Engineering Conditions of Certification; the SWPPP and DESCP, as directed by the joint Energy Commission and BLM Compliance Project Management Team (CPMT)[4]; terms and conditions of the ROW grant; and other engineering LORS applicable to the project to ensure health and safety, and protection of the environment. The AIMS Corporation will also be responsible for the design review, plan check, and construction inspection of the foundation, structural features, anchorage, and connections for those building and non-building structures, process-related systems and equipment required for power and steam generation, and equipment located either inside or outside of buildings that are designated in the master drawings and master specifications list described in Facility Design Condition of Certification GEN-2, and as applicable, the terms and

[2] The Facility Design, Geology, and Transmission System Engineering Conditions of Certification noted throughout this MOU are provided in the Decision. The Storm Water Pollution Prevention Plan and Drainage, Erosion and Sediment Control Plan are discussed in the Decision.
[3] The Facility Design, Geology, and Transmission System Engineering Conditions of Certification noted throughout this MOU are provided in the Decision.
[4] The joint Energy Commission and BLM Compliance Project Management Team (CPMT) consists of the Energy Commission's Compliance Project Manager and BLM's Authorized Officer.

conditions of the ROW grant. Additions and deletions to the provided list will be made only with the CPMT's approval. The AIMS Corporation, acting as the CBO for the project, shall carry out these duties with all the rights and immunities afforded the CBO by the Codes and federal regulation. The ultimate responsibility for facility design, construction, and operational compliance remains with SMLLC.

3. Although the AIMS Corporation will function as the CPMT delegate, the Energy Commission and the BLM have the final authority and responsibility to ensure that the project is built in accordance with the applicable engineering LORS and the Decisions. The Energy Commission's legal authority to enforce the terms and conditions of its Decision is specified in California Public Resources Code §25500 *et seq.*, and the BLM's legal authority to enforce the terms of its ROW grant is specified in Title 43 of the Code of Federal Regulations (CFR), §§2807.16 and 2807.19. The Energy Commission and BLM may amend or revoke the certification and/or permit for any facility and may impose a civil penalty upon SMLLC for any significant failure to comply with the terms or conditions of the Decisions. The BLM may issue an administrative citation in trespass with attendant liability for violation of use, occupancy or development restrictions, may bring criminal charges, and may suspend or terminate a right-of-way grant for non-compliance with its terms in accordance with the provisions of 43 CFR §§2807.12, 2807.17, and 2808.11.

4. To ensure compliance with the Facility Design, Geology, and Transmission System Engineering Conditions of Certification, the terms and conditions of the ROW grant, and the applicable engineering LORS, the CBO is authorized to take any action allowed by the California Code of Regulations and law to ensure that the Energy Commission's interests are properly addressed and protected. If the CBO determines that applicable terms and conditions of the ROW grant are being violated, the CBO will promptly notify the BLM Authorized Officer or his official representative, and provide sufficient documentation of the violation. The BLM Authorized Officer will solely determine, after consultation with the CBO, whether to bring enforcement action against the holder of the ROW grant. The CBO agrees to reasonably support the efforts of the BLM Authorized Officer in prosecuting federal enforcement actions as necessary. If the CBO has issued, or is considering issuing, a stop-work order to ensure compliance, or to ensure that the Energy Commission's interests are protected, or for any other reason, the CBO shall seek the cooperation and assistance of the CPMT. The CBO shall notify the CPMT in a timely manner, preferably prior to taking the action, so that the CPMT is fully aware of the action taken or under consideration and its implication to the project. For any action taken under emergency conditions, the CPMT shall be notified within 24 hours of the action. The CBO must inform the BLM Authorized Officer prior to issuing a stop work order if the compliance violation arises under the terms and conditions of the ROW grant. The BLM Authorized Officer will determine whether to issue a stop work order, otherwise suspend the effectiveness of the ROW grant, or issue enforcement citations for violations of federal law and regulation.

5. In the performance of this MOU, the AIMS Corporation, its employees and subcontractors shall act in an independent capacity and not as officers or employees of the State of California or the BLM.

6. The CPMT shall have the right to approve the qualifications of the AIMS Corporation engineering and technical personnel and the scope of work they will perform. The AIMS Corporation shall notify the CPMT if there is any change in personnel assigned to the project team. Replacement personnel shall not work on the project until they are approved by the CPMT.

7. The AIMS Corporation may retain the services of one or more independent qualified subcontractor(s) to supplement the CBO's employees in the design review, plan check, and construction inspection of the project. The subcontractor(s) will answer directly to, and be responsible to, the CBO. The CBO shall provide the qualifications and scope of work of the subcontractor(s) to the CPMT for approval at least ten days prior to the subcontractor's expected start of work. The CBO will retain responsibility for the construction inspections required by Appendix Chapter 1, §109 of the CBSC and for monitoring special inspections required by Chapter 17, §§1704 and 1707 of the CBSC and any like requirements of the BLM ROW grant.

8. The AIMS Corporation shall notify the CPMT if there is any change in subcontractor(s) or subcontractor's personnel. Replacement subcontractor(s) or subcontractor's personnel shall not work on the project until they are approved by the CPMT.

9. The AIMS Corporation shall require that its subcontractors have not previously been employed directly by SMLLC, or current ROW holder, or its agents at any time during the 12 months prior to the start of this MOU. The AIMS Corporation shall also require that during the course of this MOU its subcontractors or its agents will not be directly, or indirectly, employed by the SMLLC, or current ROW holder, or any entity of which it is a holding, subdivision, or subsidiary.

10. At the request of the CPMT, the CBO, its subcontractor(s), and any special inspectors shall assist the CPMT in any audits or inspections of the project, and shall timely provide any reports of audits or inspections at the request of the CPMT.

11. As a condition of certification under state law and as a term and condition of the BLM issued ROW grant, SMLLC shall enter into a contract for the project with the AIMS Corporation for the payment of CBO services to be provided. The services to be required under contract will be determined and approved by the CPMT. The fees for these services shall be based on hourly rates, or as otherwise agreed to by the CBO and SMLLC. Payments to the AIMS Corporation for work satisfactorily completed may be paid directly to the AIMS Corporation in advance, in arrears, or from a credit account established with the AIMS Corporation by SMLLC. The contract between SMLLC and the AIMS Corporation shall include a provision that SMLLC may not terminate the contract with, or payments to, the AIMS Corporation

without prior authorization of the CPMT. At least ten days prior to execution of the contract between SMLLC and the AIMS Corporation, the proposed contract must be submitted to the CPMT for review and approval.

12. The CBO shall take all reasonable measures to accommodate SMLLC's design and construction schedule, including, but not limited to, adding staff to its workforce and/or retaining the services of additional independent qualified subcontractors. The CBO and/or the CPMT have the right to review and approve the project schedule prior to committing to accommodate the schedule.

13. The CBO shall review and approve the selection of dynamic analysis and/or alternative methods of analysis for the design of those major structures designated in Facility Design Condition of Certification GEN-2 to comply with the CBSC and any like requirements of the BLM ROW grant.

14. The CBO shall review and approve any of SMLLC's proposed special and continuous inspection edition of the reporting programs required by Chapter 17 of the CBSC, other related codes or federal regulation or policy, and shall approve the qualifications and experience of the proposed special inspectors. Where appropriate, subject to CPMT approval, the AIMS Corporation may accept the results of inspections performed by SMLLC's special inspectors.

15. The CPMT shall have the right to audit the AIMS Corporation and its subcontractors' performance to ensure that they are properly carrying out their duties and responsibilities and that SMLLC is implementing the requirements of the Decisions for the design and construction of the project.

16. The AIMS Corporation and subcontractor(s) may discuss all aspects of the project with each other, the CPMT, and SMLLC's construction contractors and engineers. The CBO and CPMT shall have full access to all associated construction records, construction and inspection procedures, test equipment, and test results related to the requirements of the Decisions. It is the CPMT's intention to provide reasonable notice of site visits and audits and to conduct such activities at reasonable times. Circumstances may dictate that site access may be required with little or no notice.

17. The CBO shall provide weekly reports on the status of construction of the project to be posted to the project website (refer to Paragraph #18). The reports shall include: executive summary of current issues; general activities occurring at the project site; the completion percentage of overall construction; compliance issues with applicable LORS, applicable Conditions of Certification, and the terms and conditions of the BLM ROW grant; issues of concern with or by SMLLC; status of interconnections; scheduled activities for the following week; and potential delays to the on-line date of the project. Many of the information requirements of the status report may be satisfied by updating fields on the project website on a weekly basis.

18. The CBO shall create and maintain a password-protected project website for the posting of the weekly reports and other project documents. Documents on the

website will be posted in a Microsoft Word-compatible format or as a portable document format (pdf) file. The project website shall include the following information in an easily navigable format: all components of the weekly status report; a minimum of ten dated project photographs of current construction activities; list and status of submitted plans; status of field inspections; new subcontractors or key CBO personnel; and documents submitted for CPMT review and/or approval. The CPMT will be notified of new documents posted to the project website by e-mail with an active link to the document.

19. The CBO shall submit the results of all plan checks and construction inspections, including recommendations, to SMLLC and send a copy of all transmittal letters to the CPMT. The CPMT shall conduct any technical audits and reviews, and present any recommendations, as expeditiously as possible. The CBO should proceed with reviews and approvals of all components designated in Facility Design Condition of Certification GEN-2 in accordance with any additions and deletions approved by the CPMT, and in the terms and conditions of the BLM ROW grant, unless instructed otherwise by the CPMT. Approved plans, specifications, calculations and marked-up as-builts shall be retained by the CBO for 90 days from the date of completion of construction of the project, after which the CBO shall deliver them to the Project Proponent for long-term retention at the project site or other accessible location as required by Condition of Certification GEN-8 in the Facility Design section of the Energy Commission's decision. Electronic copies of the approved plans, specifications, calculations, and marked-up as-builts and other relevant submittals shall be provided to the CPMT in the form of compact discs, within 90 days of completion of construction on the project.

20. The Energy Commission and BLM, through the CPMT, retain the final authority over all matters relating to interpretation of the Conditions of Certification, and the terms and conditions of the ROW grant, respectively.

21. The term of this MOU is indefinite but shall terminate when all of the mutual obligations have been performed and satisfied. It shall also terminate at such time as SMLLC fails to pay fees as required or renders the AIMS Corporation's performance under this MOU impossible. Notwithstanding the foregoing, the AIMS Corporation, the BLM Authorized Officer, or the Energy Commission may terminate this MOU upon five (5) days advance written notice complying with the provisions below (refer to item 22).

22. All correspondence regarding this MOU, including invoices, payments, and notices, shall be directed to the following persons at the following addresses and telephone numbers:

DELEGATE CBO:

Donald C. Wimberly, P.E., President
The AIMS Corporation
P.O. Box 800
Los Gatos, CA 95031-0800
T (408) 358-9999
F (408) 356-2456
dwimberly@aimscorp.com

ENERGY COMMISSION:

Dale Rundquist, Compliance Project Manager
09-AFC-9C
California Energy Commission
1516 9th Street, MS 2000
Sacramento, CA 95814
T (916) 651-2072
F (916) 654-3882
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BLM:

Hector Villalobos, Field Manager
Ridgecrest Field Office
CACA-049016
300 South Richmond Road
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T (760) 384-5400
F (760) 384-5499
Hector_Villalobos@blm.gov

Written correspondence shall be sent either by personal delivery (including overnight delivery service), by U.S. Mail, fax, or e-mail. Correspondence shall be considered delivered when actually received.

23. This MOU shall be effective upon signature of all parties.

24. In the event of a conflict between this MOU and an Energy Commission Decision, and/or BLM Decision, the Decision(s) shall take precedence.

25. To the extent any enforcement action arises under this MOU and is based on provisions of state law, this MOU shall be interpreted and applied in accordance with California law. Any litigation concerning it shall be brought in the Sacramento County Superior Court. To the extent any enforcement action arises under this MOU and is based on provisions of federal law, the enforcement action shall be prosecuted in accordance with federal law and regulation.

26. This MOU sets forth the parties' entire understanding and supersedes all prior MOUs and representations with respect to the substance of this MOU, written and oral, and may be modified only by a written document signed by the AIMS Corporation, the Energy Commission and the BLM.

The AIMS Corporation has reviewed this MOU and understands its duties and responsibilities.

Signed by:

THE AIMS CORPORATION

DATED: 4/30/10

DONALD C. WIMBERLY, P.E., Delegate CBO
The AIMS Corporation

CALIFORNIA ENERGY COMMISSION

DATED: 5/3/10

TERRENCE O'BRIEN
Deputy Director for
Siting, Transmission & Environmental
Protection Division