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File No. 037484-0006

February 14, 2007

DOCKET
06-AFC-4
DATE FEB 14 2007
RECD. FEB 14 2007

VIA FEDEX

CALIFORNIA ENERGY COMMISSION
Attn: Docket No. 06-AFC-4
1516 Ninth Street, MS-4
Sacramento, California 95814-5512

Re: Vernon Power Plant Project: Docket No. 06-AFC-4

Dear Sir/Madam:

Pursuant to California Code of Regulations, title 20, sections 1209, 1209.5, and 1210, enclosed herewith for filing please find a copy of Applicant's Status Report #3.

Please note that the enclosed submittal was filed today via electronic mail to your attention and to all parties on the CEC's current electronic proof of service list.

Very truly yours,

Paul E. Kihm
Senior Paralegal

Enclosure

cc: CEC 06-AFC-4 Proof of Service List (w/ encl.)
Michael J. Carroll, Esq. (w/ encl.)

OC\873682.1

STATE OF CALIFORNIA
ENERGY RESOURCES
CONSERVATION AND DEVELOPMENT COMMISSION

In the Matter of:	)	Docket No. 06-AFC-4
	)	
Application for Certification,	)	APPLICANT'S STATUS REPORT #3
for the VERNON POWER PLANT PROJECT	)	
by The City of Vernon	)	
	)	
	)	

This Status Report #3 is submitted pursuant to the Committee Scheduling Order dated November 13, 2006.

Discovery Status

Applicant submitted Data Response Set 1D on February 2, 2007. Applicant received a second set of Data Requests from CEC staff on February 2, 2007, and is in the process of preparing responses.

Air Quality

The South Coast Air Quality Management District ("SCAQMD") staff has released a number of proposals for further amending SCAQMD Rule 1309.1 – Priority Reserve. The implications for the Vernon Power Plant will depend on which of the staff proposals, if any, the SCAQMD Board adopts. The SCAQMD Board has set a public hearing for March 2, 2007, to consider adoption of proposed amendments to the rule.

With regard to the air quality issues discussed in the California Energy Commission's ("CEC") Status Report #1 (dated January 18, 2007), and Applicant's Status Report #2:

- Applicant is continuing to investigate the PM2.5 emission mitigation strategy; however, at this time Applicant cannot provide a date when any additional mitigation proposals will be submitted to the CEC.
- Regarding a local mitigation strategy for criteria pollutants and air toxics, the Applicant is actively working with the SCAQMD on this issue; however, at this time Applicant cannot provide a date when any local mitigation strategies will be provided to the CEC.
- Regarding the air quality cumulative impact assessment, the Applicant still is awaiting data from the SCAQMD needed to perform the analysis. Information was requested from the SCAQMD through a Freedom of Information Act request. The

Applicant anticipates being able to provide the requested analysis to the CEC by the end of February 2007.

- The Applicant understands that the SCAQMD is currently working on the Preliminary Determination of Compliance ("PDOC") for the proposed Vernon Power Plant. The Applicant expects the SCAQMD will complete the PDOC in March 2007 (original anticipated date was mid-January 2007).

Public Health

Related to the issue of additional local public health studies, the Applicant is working to identify any public health studies affecting the cities of Maywood and Huntington Park that were not already provided in Appendix 8.6B of the Application for Certification ("AFC"). Any additional public health studies identified, will be provided to the CEC as part of Applicant's responses to the second set of Data Requests (dated February 2, 2007).

DATED: February 14, 2007

Respectfully submitted,

Michael J. Carroll
of LATHAM & WATKINS
Counsel to Applicant

STATE OF CALIFORNIA
ENERGY RESOURCES
CONSERVATION AND DEVELOPMENT COMMISSION

In the Matter of:	)	Docket No. 06-AFC-4
	)	
Application for Certification,	)	**ELECTRONIC PROOF OF SERVICE**
for the VERNON POWER PLANT PROJECT	)	**LIST**
by the City of Vernon	)	
	)	(Revised January 19, 2007]
	)	

☒ Transmission via electronic mail and by depositing one original signed document with FedEx overnight mail delivery service at Costa Mesa, California with delivery fees thereon fully prepaid and addressed to the following:

DOCKET UNIT

CALIFORNIA ENERGY COMMISSION
Attn: DOCKET NO. 06-AFC-4
1516 Ninth Street, MS-4
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DECLARATION OF SERVICE

I, Paul Kihm, declare that on February 14, 2007, I deposited the required original signed copy of the attached:

APPLICANT'S STATUS REPORT #3

with FedEx overnight mail delivery service at Costa Mesa, California with delivery fees thereon fully prepaid and addressed to the California Energy Commission. I further declare that 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. Executed on February 14, 2007, at Costa Mesa, California.

Paul Kihm