EXHIBIT A

March 8, 2010

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VIA ELECTRONIC MAIL AND U.S. MAIL

Felicia Miller, Siting Project Manager
California Energy Commission
1516 Ninth St.
Sacramento, CA 95814-5512

RE: Proposed Palmdale Hybrid Power Project (08-AFC-9): Comments of the Antelope Valley Groundwater Agreement Association on Preliminary Staff Assessment

Dear Ms. Miller:

Brownstein Hyatt Farber Schreck, LLP represents the Antelope Valley Groundwater Agreement Association ("AGWA") and presents these comments on AGWA's behalf regarding the California Energy Commission's Preliminary Staff Assessment ("PSA")[1] of the Proposed Palmdale Hybrid Power Project (the "Project"). AGWA appreciates the opportunity to submit comments on the PSA.

AGWA supports the Project and believes it will provide much-needed economic development for the region. However, AGWA is concerned as to how the City of Palmdale ("City") and the Los Angeles County Waterworks District No. 40 ("District No. 40"), who are designated to supply water to the Project, can support new demands for water when they claim that sufficient water does not exist to meet present demands. The PSA does not address this issue or the availability of recycled water to supply the Project in the context of the on-going adjudication of water rights within the Antelope Valley Groundwater Basin[2] ("the Adjudication"), and thus contains inadequate analysis of water supplies available for the Project.

AGWA is composed of landowners whose properties overlie the Antelope Valley Groundwater Basin ("Basin") and who have been named as defendants in Adjudication. AGWA members exercise overlying groundwater rights by extracting groundwater from the Basin for beneficial use on their properties. Under California law, these landowners have prior rights to the waters of the Basin.[3] The Basin underlies the Project area and serves as water supply for both the City and District No. 40. In the

[1] California Energy Commission, Palmdale Hybrid Power Project, Preliminary Staff Assessment, Docket 08-AFC-09.
[2] Included actions are *Los Angeles County Waterworks District No. 40 v. Diamond Farming Co., Superior Court of California*, County of Los Angeles, Case No. BC 325201; *Los Angeles County Waterworks District No. 40 v. Diamond Farming Co.*, Superior Court of California, County of Kern, Case No. S-1500-CV-254-348; *Wm. Bolthouse Farms, Inc. v. City of Lancaster*, *Diamond Farming Co. v. City of Lancaster*, *Diamond Farming Co. v. Palmdale Water Dist*, Superior Court of California, County of Riverside, Case Nos. RIC 353 840, RIC 344 436, RIC 344 668.
[3] *City of Barstow v. Mojave Water Agency* (2000) 23 Cal.4th 1224, 1240; *City of Pasadena v. City of Alhambra* (1949) 33 Cal.2d 908, 924-25.
[5] District No. 40 and City's First Amended Cross-Complaint in Los Angeles County Sup.Ct. Case No. BC32501, filed Feb. 13, 2007, attached hereto, at ¶¶ 28, 33.

Adjudication, both District No. 40 and the City claim that there is insufficient water in the Basin to meet present uses[5] and that the Basin is presently in an overdraft condition.[6] Generally, a basin is in an overdraft condition when groundwater extractions exceed groundwater recharge. If water extractions exceed recharge in the Basin, then all waters that would recharge the Basin are necessary to support present uses.[7]

In its brief discussion of the Adjudication in support of its claim that water is available for the Project, the PSA states that ñ[r]eclaimed water discharged to evaporation/percolation ponds, irrigation sites, and furrowed land from the Palmdale and Lancaster WRPs does not appear to be a part of the adjudication.ò To the contrary, recycled water is a part of the adjudicationð which is precisely why Los Angeles County Sanitation Districts Nos. 14 and 20 are parties to the adjudication. In their Cross-Complaint, the Los Angeles County Sanitation Districts seek a judicial determination of the right to control recycled water in the Basin.[12] The Sanitation Districts claim that the use of recycled water directly and significantly affects the Basin and must be fully taken into account in the adjudication of all rights to water in the Basin.[13] Thus, it is improper for the PSA to simply gloss over the adjudication and its potential effect on reliable water supplies for the Project.

In reliance on its erroneous conclusion that recycled water is not at issue in the Adjudication, the PSA concludes: "The Antelope Valley Groundwater Basin and groundwater users would benefit by the project's proposed use of recycled water. Therefore, staff believes that there would be no significant cumulative impacts to the groundwater resources in the Basin as a result of the project."[14] Not only is it improper for the PSA to conclude that the use of recycled water will not have any impact on the other supplies in the Basin, this statement characterizing recycled water supply as if it is severable from total water supply concerns in the Basin signals a fundamental flaw in the PSAôs analysis. The PSA should better explain the connection between recycled water and groundwater in the Basin, and the potential effect of the adjudication on Project water supplies.

Although the PSA states that staff evaluated criteria such as whether the Project will substantially deplete groundwater supplies, result in lower groundwater levels, or interfere substantially with groundwater recharge,[15] the PSA does not answer these questions with any substantive discussion. The fact that the Energy Commissionôs certified program under CEQA exempts it from having to prepare an Environmental Impact Report highlights the need to adequately discuss *any* significant adverse effect the project may have on the environment at this time.

The PSA does not make clear how its proposed mitigation measures compensate for potential effects that the Project might have on recharge in the Basin. For example, the PSA states: ñAlthough the use of recycled water would remove a source of groundwater recharge from the Basin, it would also remove

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[6] District No. 40 and Cityôs First Amended Cross-Complaint, at ¶¶ 31-35.
[7] See *In the Matter of the Petition for Extension of Time of the City of San Luis Obispo Permit 5882 (Application 10216)* (2000) Order WR 2000-13. at 25-26) [It is not in the public interest to allow additional overdraft of an impacted basin in a water-short area and any further overdraft is unacceptable].
[12] Cross-Complaint of Los Angeles County Sanitation Districts, filed Dec. 27, 2006, at ¶¶ 44-47.
[13] Cross-Complaint of Los Angeles County Sanitation Districts, at ¶ 54.
[14] PSA Vol. 2, p. 4.9-25.
[15] PSA Vol. 2, pp. 4.9-10, 11.

a source of salt and nutrient loading to the groundwater as prescribed by RWQCB orders.ö[16] The PSA does not adequately explain how removal of a source of salt and nutrient loading mitigates removal of a source of recharge for the Basin whichð if the Basin is in a state of overdraftð would be needed for present uses.

The failure to appropriately consider Project water supplies is further evidenced by the February 11, 2010 Public Workshop for the PSA. Early in the meeting, CEC staff stated that there was ñothing major thereòrelating to water, and explained that the staff member responsible for preparing the water analysis section had been sent home for the day because water was not anticipated to be a substantial discussion topic. The subsequent brief discussion of water supplies for the Project demonstrated that the Energy Commission has not taken water supply for the Project and its effect on the Basin seriously.

AGWA requests that the Commission address these comments and further explain its determination as to the Projectõs impacts on Basin water supplies and looks forward to future opportunities for comment.

Sincerely,

Michael T. Fife

[16] PSA Vol. 2, p. 4.9-23.

program.

AV PRESS 3/9/10

Council OKs studies to keep city in solar plans

By ALLISON GATLIN
Valley Press Staff Writer

CALIFORNIA CITY — The City Council on Tuesday approved a pair of studies that will help keep viable the city's offer of recycled water for a proposed solar power plant north of California City.

Beacon Solar LLC, a subsidiary of NextEra Energy Resources LLC, has applied to the state to construct and operate the solar plant on some 2,000 acres of land off State Route 14 that was once used for alfalfa farming.

Originally, the company planned to use groundwater for cooling the solar thermal plant, but that plan ran afoul of the California Energy Commission's licensing process.

Instead, the commission suggested using recycled wastewater from either California City or Rosamond, proposals for which are under consideration by Beacon as part of the ongoing licensing process.

In order for California City to provide the amount of water necessary for the plant's cooling, expanding the wastewater treatment plant and connecting more than 2,000 households on septic systems will be necessary in order to have the required water volume.

As part of the proposed expansion, the city must have information on how the recycled water could affect the existing groundwater basin and plans for dealing with those effects to ensure the groundwater is not contaminated.

Recycled water tends to add nitrates and salts into the ground, potentially causing problems for the groundwater supply, Public Works Director Michael Bevins said. Some groundwater basins are structured to provide a natural exit for these substances.

"Ours does not," he said.

The council unanimously approved a study with a plan for monitoring and addressing the issue.

Without such a plan, the city might be removed from consideration by the California Energy Commission as part of the licensing of the Beacon plant, Bevins said.

A plan also is required by the State Water Resources Control Board by 2014. This would simply speed up the timetable in order to be part of the Beacon plan. A licensing decision for the solar power plant is expected this summer.

The council approved the proposal by Stetson Engineering, the Covina-based firm that created a groundwater plan for the city last year.

"They have a tremendous amount of in-house familiarity with our (groundwater) basin," Bevins said.

Cal City is the only entity associated with the Fremont Valley Groundwater Basin that is recycling wastewater and therefore the only one to require this type of study.

"We are the only producer of recycled water in the Fremont Valley. Nobody else has a dog in the fight," Bevins said.

The projected $35,000 cost of the study is covered under the city's sewer fund, which is predicted to have a $61,000 surplus this year, Bevins said.

A second study, to examine the feasibility of the wastewater treatment plant to handle contaminants, was approved on a 4-1 vote, with Councilman Bill Smith dissenting.

"This study will tie the loose ends together," Bevins said.

In addition to aiding with the Beacon proposal, it is also a required step in permitting the wastewater treatment plant expansion, something the city will need to do in the future, with or without providing recycled water to the solar power plant, he said.

The council approved requesting bids for the study, at an estimated cost of $60,000.

The two studies are completely separate, requiring different kinds of expertise, Bevins said, with one focusing on the geology of the groundwater basin and the other more of a civil engineering matter regarding the treatment plant itself.

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AV PRESS 3/7/10

It's back to court over groundwater rights

Litigants are expected to ask judge to step down from case

By ALISHA SEMCHUCK
Valley Press Staff Writer

LOS ANGELES — Plaintiffs, defendants and their respective attorneys are scheduled to return to court Monday morning for the next phase of the Antelope Valley groundwater adjudication case.

At a 9 a.m. hearing, some of the litigants are expected to ask the judge to recuse himself, although that seems unlikely to occur.

Typically, the courtroom is packed with attorneys who represent hundreds of litigants in a case that began on a much smaller level in late 1999 when the Diamond Farming Co. of Bakersfield filed suit against a number of public agencies in the Antelope Valley, including the city of Lancaster, the Palmdale and Quartz Hill water districts and the Palm Ranch Irrigation District.

Since then the case has grown to include Los Angeles County Waterworks District No. 40, the Littlerock Creek Irrigation District, the Rosamond Community Services District, numerous mutual water companies in the Valley, farmers, landowners with large properties who pump groundwater, plus those who either pump small quantities each year or have the potential to pump, but don't.

"There's two hearings Monday," said John Ukkestad, president of the Antelope Valley United Mutual Group, comprising 15 mutual water companies.

At 9 a.m. at the Stanley Mosk courthouse in downtown Los Angeles, Ukkestad's organization, U.S. Borax, Diamond Farming, Bolthouse Farms and several other plaintiffs will ask Santa Clara County Superior Court Judge Jack Komar to step down.

Komar, who retired in November after more than 24 years on Santa Clara County bench, has since 2001 been the main jurist in that county to handle the complex litigation.

Despite Komar's experience, the group wants him to step down because it believes that the case has dragged on too long and has cost too much in attorneys' fees for all involved.

"The public water suppliers, in the last four years, have spent more than $7 million in attorneys' fees," Ukkestad said.

"And the overlyers (landowners whose property overlies a groundwater basin) have been forced to spend millions to protect their overlying rights," he added, referring to the landowners who claim the right to water from the aquifer beneath their property.

"These public entities, they spend money like it's nothing," Ukkestad said.

If Komar denies their demand, Ukkestad said "a writ of mandate will likely be filed with the appellate court."

However, he noted that a peremptory challenge had previously been filed with the court and Komar denied it. The appellate court also denied that request, labeling it premature "because the judge hadn't consolidated all the cases at that time," Ukkestad said.

Komar eventually consolidated the cases, according to Ukkestad, who considered that an erroneous move on the judge's part.

"By the action the judge has taken, by consolidating, he's bringing the overlyers into the suit that the small pumpers and non-pumpers have against the public water suppliers and others," Ukkestad said.

> "The public water suppliers, in the last four years, have spent more than $7 million in attorneys' fees."
>
> — John Ukkestad, Antelope Valley United Mutual Group president

"We're not suing the small pumpers and the non-pumpers and they're not suing us," Ukkestad declared. "The small pumpers and non-pumpers are suing the public water suppliers.

"We're suing the public water suppliers and they're suing us."

Ukkestad is doubtful that Komar will step down, particularly because the judge has already scheduled at 10 a.m. a case management conference.

"He's going to decide when to set the trial for Phase 3" of the adjudication to determine the safe yield and the overdraft issues, Ukkestad said.

Safe yield refers to the maximum amount of water that can be pumped from the ground in a single year without depleting the groundwater supply. Overdraft refers to a condition in which so much water has been pumped from the ground that the water table was severely lowered. As to whether that has happened in the Antelope Valley is a matter of debate.

Water experts will be called to testify, Ukkestad said, and the non-pumpers have asked the court to have the public water suppliers pay the experts' fees.

Ukkestad estimates that this phase will take 10 to 15 days to be tried.

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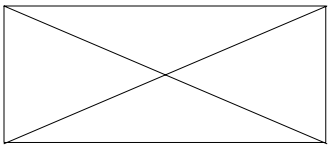
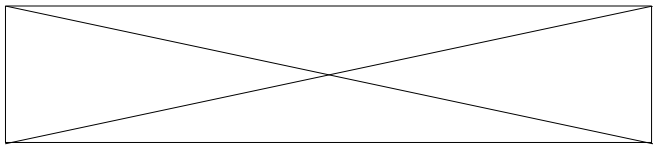
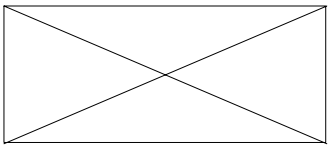

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Antelope Valley's proposed solar plant still thirsty

Posted by: Aqua Blog Maven on July 7, 2009 at 7:07 am

From the Antelope Valley Press:

> Water remains the central issue at the heart of the state licensing process for a 250-megawatt solar power plant proposed on former agricultural land northwest of California City near the community of Cantil.
>
> Beacon Solar LLC, a subsidiary of NextEra Energy Resources LLC, has applied to the state to construct and operate the solar plant on some 2,000 acres of land off State Route 14 that was once used for alfalfa farming. The plant would use a series of curved mirrors to capture and reflect sunlight on a series of tubes. Liquids in the tubes would be heated by the sunlight and in turn used to power a steam turbine, which actually produces the electricity.
>
> The California Energy Commission, which is tasked with licensing the plant, held a public workshop on the proposed plant July 1 in Cal City, the second meeting to cover issues raised in the initial state staff assessment of the project.
>
> The power plant application falls under the commission's "in lieu" permitting process, which combines the various permits required from local, state and federal agencies into one process.
>
> The biggest obstacle to the plant's licensing appears to be the company's intent to use 1,400 acre-feet of groundwater from the site each year to cool the solar power system. The California Energy Commission and the state Water Resources Control Board have policies against using potable water to cool power plants unless there is no other feasible alternative, said Eric Solorio, project manager for the energy commission.
>
> At issue appears to be what is considered "feasible."

Read more from the Antelope Valley Press by clicking here.

July 7, 2009 · Filed Under Antelope Valley, Groundwater

Comments

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March 13, 2010

Yet Another Huge Solar-Power Purchase by Utility Wins Approval in California

PHOTO CREDIT: SUNPLUGGERS.COM
Utility-scale buying of solar PV modules may drive down the cost for consumers. Above, a 2009 solar fair in San Diego.

Published March 11, 2010

Shortly after agreeing to buy 300 megawatts of electricity production from a proposed solar power plant in Southern California's low desert, Pacific Gas and Electric Co. has won approval of its plan to buy 230 megawatts from a solar plant in the high desert.

Neither solar site has yet received all the necessary government endorsements. One project, Desert Sunlight, would be constructed in the lower-altitude Colorado Desert east of Palm Springs. The 230-megawatt plant, called AV Solar Ranch One, is planned west of Lancaster in the Mojave Desert's Antelope Valley.

These projects and others, such as Southern California Edison's recent announcement that it plans to buy 200 megawatts of solar panels from a California-based company, are important to future mom-and-pop solar buyers for one key reason: prices.

Giant utility-scale power projects that use photovoltaic modules – the same solar panels installed for homes and businesses – should drive down the cost of equipment for average consumers by allowing manufacturers to ramp up factory production lines and achieve economies of scale.

The capacities of the solar PV projects planned – 550 megawatts for Desert Sunlight, 230 megawatts at AV Solar Ranch One, and 500 megawatts to be distributed throughout the SCE service area – are enormous. These projects alone would total 1,280 megawatts, about double California's existing total of grid-tied solar capacity.

That megawatt total is about the same as the peak production capacity of a large nuclear power plant. And much more solar than this is coming to California, if current plans are even remotely realized. About 200 more utility-scale solar power plants are now proposed in Southern California. Even if only a fraction are built, the state's energy equation is likely to be transformed as solar PV costs are driven down and owners of homes and businesses increasingly adopt the technology.

Contrary to many mass-media reports, non-subsidized solar electricity prices are already well below the highest-tiered utility rates at the best-suited sites in much of California. With incentives, solar-electricity bargains are available to large numbers of consumers in California, as well as some in other states who have ample access to unshaded sunlight. A combination of continued solar price

reductions and utility rate increases could enlarge the solar market prodigiously across the country.

The Antelope Valley solar plant is to be built by NextLight Renewable Power, based in San Francisco, if permit approval is received from federal, state and county officials. The Public Utilities Commission has approved a 25-year power-purchase agreement under which PG&E will buy electricity from AV Solar Ranch One. Construction is tentatively planned to start later this year and be completed by the end of 2013.

The solar plant would be built on about 2,100 acres of a farm used from about the 1940s to the 1990s for growing alfalfa, wheat and onions. The land has already been cleared by farming and the property is zoned for heavy agricultural use. Southern California Edison plans a new substation about 3.5 miles north of the site, which would be connected to it by a new high-voltage transmission line.

PHOTO CREDIT: SUNPLUGGERS.COM

An existing solar-thermal power plant in Lancaster. The planned AV Solar Ranch One would use photovoltaic modules no more than 14 feet high.

About 300 construction workers would be needed, and about 20 permanent technicians, security workers and maintenance employees.

AV Solar Ranch One would be built just northwest of the Antelope Valley California Poppy Reserve, where a spectacular annual display of desert wildflowers draws thousands of visitors.

The project has received wide support in the Antelope Valley, home to many people who commute "down the hill" to the Los Angeles metropolitan area. A local newspaper reported last year that a support group for the poppy reserve was not opposed to the solar plan.

An existing 5-megawatt solar installation in Lancaster, the Sierra Sun Tower, provides electricity to Southern California Edison. That project, developed by the company eSolar, uses solar thermal technology, in which mirrors concentrate the sun's rays on a towering boiler. The steam produced turns turbines to generate electricity.

MARCH 11, 2010, 4:17 P.M. ET

California Approves PG&E's 230-MW Solar Pact With NextLight

SAN FRANCISCO (Dow Jones)--California regulators Thursday approved a contract that PG&E Corp.'s (PCG) utility has signed with NextLight Renewable Power for 230 megawatts of solar power.

NextLight, a unit of private-equity firm Energy Capital Partners, plans to build a 230-megawatt solar farm, using solar panels, in California's Antelope Valley. The company expects the facility, called AV Solar Ranch 1, to start commercial operation by early 2014. The facility is to be built on 2,000 acres of former farmland owned by NextLight.

PG&E and other California utilities are required to use renewable sources for a fifth of the power they sell by the end of this year, with the mandate set to expand to one-third renewables by 2020. The mandate is part of California's 2006 plan to combat climate change.

While prices that utilities pay for power are kept confidential, the California Public Utilities Commission confirmed that the price PG&E agreed to pay NextLight is above the CPUC's benchmark price for such contracts, about 13.3 cents a kilowatt-hour, and said there are additional fees for delivering power during high-demand daytime hours.

-By Cassandra Sweet, Dow Jones Newswires; 415-439-6468; cassandra.sweet@dowjones.com

Region becoming solar ne us for power plants

This story appeared in the Antelope Valley Press
Saturday, July 11, 2009.

By ALLISON GATLIN
Valley Press Staff Writer

ROSAMOND - In yet another example of the region's attraction for renewable energy projects, San Francisco-based NextLight Renewable Power LLC has proposed a 230-megawatt photovoltaic solar plant west of Lancaster.

The proposed project, dubbed AV Solar Ranch One, would be on 2,100 acres of former farmland at 170th Street West and Avenue D, northwest of the Antelope Valley California Poppy Reserve.

Project officials briefed the Rosamond Community Services District board Wednesday on the project, which is under review by the Los Angeles County planning department.

Unlike the Beacon solar thermal power project proposed for land northwest of California City, the AV Solar Ranch One uses photovoltaic panels to convert sunlight directly into electricity.

"Currently, there's not a photovoltaic project in the world this size, although there are a number being developed," said Jack Pigott, project manager.

The panels, which measure roughly 12 by 20 feet, are similar to the type that would be installed on a private home for electricity generation, he said. However, they are grouped into a much larger array, mounted on tracking brackets to follow the sun from east to west across the sky.

The panels will be approximately 14 feet high at the tallest point.

The photovoltaic technology also means the plant will use relatively little water, an issue that might derail the Beacon plant. Solar thermal power plants of the design for the Beacon plant use water for cooling, in that case approximately 1,400 acre-feet per year.

The AV Solar Ranch One, by comparison, is expected to use 36 acre-feet of water during construction and 12 acre-feet per year during operations, Pigott said. Water is needed for employees' domestic use at the site - restrooms and such - to periodically clean the solar panels and for dust control.

The property already has wells from its time as an agriculture concern, which used 1,200 acre-feet per year, he said.

The property has been farmed since the 1940s and was last farmed in 2004, county officials say. During the Antelope Valley's late 1980s housing boom, the acreage was proposed to be part of a 35,000-home master-plan community called California Springs, but the plan stalled when the housing boom collapsed in the early 1990s.

The company has a contract with Pacific Gas and Electric Co. to purchase the electricity eventually produced by AV Solar Ranch One.

The power would flow through a 3.5-mile transmission line to the Whirlwind substation, part of Southern California Edison's Tehachapi Renewable Transmission Project.

The plant is expected to provide some 300 construction jobs, then 16 to 20 positions once operational, for security, maintenance and operations.

NextLight officials hope the environmental impact report is finished and accepted by April 2010 and that they get county approval for the project by July 2010. They hope to begin construction in October 2010 and start producing electricity in summer 2011.

The project would come on line in phases, with full commercial operation in December 2013.

It is allowed under the area's "heavy agriculture" zoning, but it also requires a conditional-use permit from the county's Regional Planning Commission, said Norm Hickling, an aide to Supervisor Michael D. Antonovich.

NextLight officials have discussed the project with a number of community entities to gain their support, so far successfully.

The Antelope Acres Town Council, which represents a community about seven miles to the east, voted 5-0 to support the solar facility. The solar facility would not put as much traffic on Antelope Acres roads as a housing development on the same land or use as much water, and it will not eliminate Joshua trees or displace endangered species, town council President Vicki Nelson said.

The Poppy Reserve/Mojave Desert Interpretive Association, whose members previously helped quash a wind-turbine project proposed on the poppy reserve's southwest corner and are fighting an auto racetrack proposed just north of the reserve, is not opposing the solar power project, President Milt Stark said.

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