

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



March 8, 2007

Cliff Webb
Stirling Energy Systems, Inc.
Biltmore Lakes Corporate Center
2920 East Camelback Road, Suite 150
Phoenix, AZ 85016

Re: Request for Information Regarding Stirling Energy Systems Solar Two Project and the Proposed Sunrise Powerlink Transmission Project

Dear Mr. Webb,

The California Public Utilities Commission (CPUC) and the U.S. Bureau of Land Management (BLM) are preparing an Environmental Impact Report/Environmental Impact Statement (EIR/EIS) for SDG&E's proposed Sunrise Powerlink Transmission Project. As part of the EIR/EIS preparation process for the Sunrise Powerlink Project, we are considering other projects in the area that could potentially be considered under CEQA or NEPA as "connected" or "indirect" actions, or "cumulative projects". Because the CPUC has written a resolution (Resolution E-3965) for a Power Purchase Agreement (PPA) for the Stirling Energy Systems (SES) Solar Two project in Imperial County, we need information from SES in order to make informed decisions on the relationship of the Stirling project to the Sunrise Powerlink Transmission Project.

Our questions are as follows:

Background. The status of SES license and permit application filings with the California Energy Commission (CEC) and federal Bureau of Land Management (BLM) is not clear.

Request SES-1: Please identify the anticipated application filing date for the Application for Certification (AFC) with the CEC, and describe what steps must still be taken by SES or others before the AFC can be filed.

Request SES-2: Please identify the anticipated filing date for the Plan of Development with the BLM, and describe what steps must still be taken by SES or others before the Plan of Development can be filed.

Background. Based on CPUC Resolution E-3965 (December 15, 2005), the Power Purchase Agreement between SDG&E and SES Solar Two LLC is contingent upon "SDG&E successfully being able to license and construct a new 500 kV line from the Imperial Valley area to San Diego by 2010." It is not clear whether the SES Solar Two generating facility would be constructed if the Sunrise Powerlink Transmission Project is denied approval or delayed.

Request SES-3: In the event that the SDG&E is unable to successfully license a new 500 kV line from the Imperial Valley area to San Diego, describe whether SES would still proceed with construction of SES Solar Two in Imperial County. In this response, identify the steps SES would need to take in order to proceed with construction and operation of Phase 1 (300 MW) in the absence of a new 500 kV line from the Imperial Valley area to San Diego, and describe whether the Phases 2 or 3 (300 MW each) would occur.

Request SES-4: In the event that SDG&E is unable to complete construction of a new 500 kV transmission line from Imperial Valley area to San Diego by 2010, please describe whether SES would still proceed with construction of Phase 1 (300 MW) and describe the timing of this construction. Also, please indicate how the schedule for Phases 2 and 3 (300 MW each) would be affected by such a delay.

We would appreciate your prompt responses to these requests, which will allow us to maintain our current EIR/EIS schedule. If possible, please respond to these items within one week (by March 19, 2007). Any questions on this information request should be directed to me at (415) 703-2068.

Sincerely,

Billie C. Blanchard, AICP, PURA V
Project Manager for Sunrise Powerlink Project
Energy Division, CEQA Unit

cc: Sean Gallagher, CPUC Energy Division Director
Ken Lewis, CPUC Program Manager
Steve Weissman, ALJ
Traci Bone, Advisor to Commissioner Grueneich
Nicholas Sher/Jason Reiger, CPUC Legal Division
Lynda Kastoll, BLM
Susan Lee, Aspen Environmental Group