

**STATE OF CALIFORNIA
California Energy Commission**

In the Matter of:

The Application for Certification
for the CALICO SOLAR PROJECT
AMENDMENT

Docket No. 08-AFC-13C

**CALIFORNIA UNIONS FOR RELIABLE ENERGY
AND CALICO SOLAR, LLC
JOINT STATEMENT REGARDING SETTLEMENT
AND
REQUEST FOR COMMISSION INCORPORATION OF ADDITIONAL
CONDITIONS OF APPROVAL**

July 7, 2011

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California Unions for Reliable Energy (“CURE”) and Calico Solar, LLC (“Calico”) are pleased to announce that we have reached an agreement resolving all of the outstanding issues raised by CURE in the proceedings for the Calico Solar Project.

Under this agreement, Calico will implement additional measures to avoid and minimize potentially significant impacts to special status plants and wildlife, including desert tortoise on the Project site and translocation areas, Nelson’s bighorn sheep, golden eagles, migratory birds and bats, during Project construction and operation and to construction workers. Calico will implement actions to encourage the California Public Utilities Commission to adopt measures to avoid and minimize potentially significant impacts to the environment associated with construction and operation of Southern California Edison’s Lugo-Pisgah Renewable Transmission Corridor Project and will not construct any part of the Project that requires the transmission line to deliver energy until after the appropriate agencies approve construction and operation of the transmission line. Calico will implement actions to encourage the U.S. Bureau of Land Management (“BLM”) to preserve in perpetuity approximately 3,617 acres of land located north of the Project site and to consider desert tortoise translocation areas in the BLM’s solar energy development planning process. Calico will not permanently impact any additional acres of state jurisdictional waters beyond those identified in the Commission’s December 2010 Decision approving the Project.

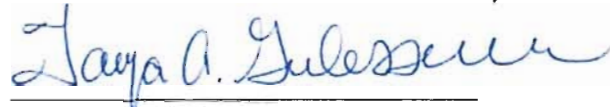
The Joint Statement of CURE and Calico, which summarizes and sets forth the terms of the agreement, is attached as Exhibit A. CURE and Calico jointly and

respectfully request that the Commission, when it approves the Petition to Amend the Project, incorporate the following fifteen specific measures in the agreement, as set forth in detail in the attached Exhibit A, into the Conditions of Certification of the Project. Specifically, CURE and Calico request that the Commission incorporate conditions A.2 (transmission), B.1, B.2, B.3, B.4, B.5 and B.9 (desert tortoise), C.1 (Nelson's bighorn sheep), D.1 and D.2 (golden eagles and foraging habitat), E.1 and E.2 (off-road equipment operator worker protection), F.1 and F.2 (State jurisdictional waters) and G.1 (migratory birds and bats) into the Conditions of Certification for the Amended Project.

In consideration of these additional measures as well as those imposed by the Commission, CURE believes that the construction and operation of the Project will benefit the State of California and represents a significant gain for the State's burgeoning renewable energy sector. The Commission's dedication to the timely progression of this proceeding has been nothing short of impressive. We are pleased that we have been able to resolve many of the difficult issues associated with the project and look forward to working with you this proceeding.

Dated: July 7, 2011

Respectfully submitted.



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EXHIBIT A

**JOINT STATEMENT OF
CALICO SOLAR, LLC
AND
CALIFORNIA UNIONS FOR RELIABLE ENERGY**

June, 2010

Calico Solar, LLC, which is developing the Calico Solar Project, and California Unions for Reliable Energy ("CURE") are pleased to announce that they have reached an agreement to resolve the outstanding issues raised by CURE before the California Energy Commission ("CEC") concerning the Calico Solar Project ("Project"). Under this agreement, Calico Solar, LLC ("Calico") will implement additional measures to avoid and minimize potentially significant impacts to special status plants and wildlife, including desert tortoise on the Project site and translocation areas, Nelson's bighorn sheep, golden eagles, migratory birds and bats, during Project construction and operation and to construction workers. Calico will implement actions to encourage the California Public Utilities Commission to adopt measures to avoid and minimize potentially significant impacts to the environment associated with construction and operation of Southern California Edison's Lugo-Pisgah Renewable Transmission Corridor Project and will not construct any part of the Project that requires the transmission line to deliver energy until after the appropriate agencies approve construction and operation of the transmission line. Calico will implement actions to encourage the U.S. Bureau of Land Management ("BLM") to preserve in perpetuity approximately 3,617 acres of land located north of the Project site and to consider desert tortoise translocation areas in the BLM's solar energy development planning process. Calico will not permanently impact any additional acres of state jurisdictional waters beyond those identified in the CEC's December 2010 Decision approving the Project. In consideration of these additional measures as well as those imposed by the CEC, CURE believes that the construction and operation of the Project will benefit the State of California.

Under the agreement, Calico agrees to take the following measures:

A. Transmission

1. Within 30 days of Southern California Edison's ("SCE") submittal of an application to the California Public Utilities Commission ("CPUC") for its Lugo-Pisgah Renewable Transmission Corridor Project ("LPRTCP"), Calico shall request that the CPUC adopt mitigation measures, as described in the Commission's July 2010 Staff Assessment and the August 2010 Supplemental Staff Assessment for the Approved Project, to address potentially significant impacts associated with any new transmission line and substation expansion required for the Project.

2. Calico shall not commence construction of any part of Phase 2 of the Project Amendment that requires SCE's LPRTCP to deliver energy until after the CPUC and the United States Bureau of Land Management ("BLM") approve the LPRTCP, following environmental review pursuant to the California Environmental Quality Act ("CEQA") and the National Environmental Policy Act ("NEPA").

B. Desert Tortoise

1. Prior to construction, Calico shall conduct new desert tortoise surveys, during the desert tortoise active season, within the Phase 1 Project Amendment area and submit the results of the surveys to the Commission, CDFG and USFWS within 30 days of completion of the surveys. Prior to conducting such surveys, Calico shall obtain confirmation from USFWS that the survey will occur during the desert tortoise active season, which shall be verified by activity in the field.
2. Calico shall not commence construction of Phase 1 of the Project until after Calico translocates all desert tortoise off the Project site in the Phase 1 Project Amendment area, unless Commission Staff and the Commission have an opportunity to consider a translocation plan that assesses potentially significant impacts from holding desert tortoise on the Project site during construction as part of the Project Amendment.
3. Calico shall not commence construction of Phase 2 of the Project until after Calico translocates all desert tortoise off the Project site in the Phase 2 Project area, unless Commission Staff and the Commission have an opportunity to consider a translocation plan that assesses potentially significant impacts from holding desert tortoise on the Project site during construction as part of the Project Amendment.
4. Calico shall not conduct clearance surveys and shall not translocate any desert tortoise outside of the desert tortoise active season, unless Calico constructs an artificial burrow that complies with USFWS guidelines for any desert tortoise translocated off the Project site. Prior to conducting clearance surveys and translocation, Calico shall obtain a determination from the USFWS whether the surveys and translocation will or will not occur during the desert tortoise active season.
5. Calico shall not take blood samples from any desert tortoise outside of the desert tortoise active season. Prior to taking blood samples, Calico shall obtain confirmation from USFWS that the blood samples will occur during the desert tortoise active season, which shall be verified by activity in the field.

6. Calico shall request that USFWS and CDFG prohibit translocating desert tortoise into areas where the density after translocation exceeds 130% of the mean density detected in the agency-approved translocation areas.
7. Calico shall request that USFWS and CDFG require that the translocation recipient site is within 40 kilometers of the Project site.
8. Calico shall request that the BLM continue to manage the translocation recipient site(s) for conservation in perpetuity.
9. Within 60 days of Calico translocating any desert tortoise to the Ord-Rodman Desert Wildlife Management Area, Pisgah Area of Critical Environmental Concern, Calico Solar Linkage Area or any other translocation area, Calico shall provide a detailed report, which describes the translocation location, the number of tortoises translocated, and the results of any and all disease testing related to the translocation to CURE, the CPUC, the BLM, the Commission and Southern California Edison and shall request that the information be considered in BLM's Solar Programmatic Environmental Impact Statement for Solar Energy Development in Six Southwestern States ("Solar PEIS") and in the agencies' planning and environmental review for any future transmission lines in the area, pursuant to CEQA and NEPA.

C. Nelson's Bighorn Sheep

1. Calico shall not develop in the Calico Solar Linkage Area and shall avoid direct impacts to Nelson's bighorn sheep in the Calico Linkage Area.
2. Within 30 days of execution of this agreement, Calico will provide a comment letter on the Solar PEIS and the Calico Project Amendment to BLM supporting a change to the CDCA Land Use Plan precluding future development of the Calico Linkage Area and transmitting BLM's letter in Exhibit A.

D. Golden Eagles and Foraging Habitat

1. Calico shall include in its Golden Eagle Monitoring and Adaptive Management Plan provisions for ongoing monitoring of any occupied nest within one mile of the Project boundary and monthly reporting of the monitoring results to the Compliance Project Manager, CDFG and USFWS for at least five years following the completion of construction.
2. Calico shall ensure that compensatory land for desert tortoise will offset foraging habitat loss for Golden Eagles by requesting that BLM

specifically state in the conditions to its Right of Way Grant that the compensation acreage shall also offset foraging habitat for golden eagles by the preservation of similar plant communities.

E. Off-Road Equipment Operator Worker Protection

1. Calico shall provide appropriate training for respiratory protection to construction workers. Appropriate training shall include, but not be limited to, providing written information in both Spanish and English to workers on the cause and symptoms of Valley Fever during worker orientation and posting of Valley Fever informational materials in both English and Spanish at the Project site.
2. If test results indicate the presence of Valley Fever on the Project site, then Calico shall provide:
 - a. dust masks (National Institute of Occupational Safety and Health approved) with proper training to construction workers to mitigate against dust exposure and possible Valley Fever during high wind events and/or dust-generating activities.
 - b. contact information for local physicians during orientation and to workers that indicate any symptoms of Valley Fever.

F. State Jurisdictional Waters

1. Calico will minimize, as reasonably practicable, impacts to waters of the state, and shall permanently impact no more than 150 acres of state jurisdictional waters.
2. Calico shall acquire, in fee or in easement, a parcel or parcels of land that include no less than one acre of State jurisdictional waters for every one acre of State jurisdictional waters impacted by the Project.

G. Migratory Birds and Bats

1. For one year following the beginning of operation of Phase 1 of the Calico Project and for one year following the beginning of operation of Phase 2 of the Calico Project, Calico shall submit quarterly reports to BLM, CPM, CDFG and USFWS describing the methods, dates, durations, and results of monitoring, pursuant to the Bird Monitoring Study in the Avian and Bat Protection Plan.